

MINUTE
of
CABINET

Minute of meeting held at 10.00am in the Council Chamber, Council Headquarters, Giffnock on 12 October 2023.

Present:

Councillor Owen O'Donnell (Leader) Councillor Katie Pragnell
Councillor Andrew Anderson (Vice Chair)

Councillor O'Donnell, Leader, in the Chair

Attending:

Steven Quinn, Chief Executive; Caitriona McAuley, Director of Environment; Margaret McCrossan, Head of Accountancy (Chief Financial Officer)(*); Phil Daws, Head of Environment (Strategic Services); Michael McKernan, Economic Development and Inclusive Growth Manager; Suzanne Conlin, Senior Housing Officer; Linda Hutchison, Senior Committee Services Officer; and John Burke, Committee Services Officer.

Apology

Councillor Danny Devlin

DECLARATIONS OF INTEREST

633. There were no declarations of interest intimated.

STRATEGIC HOUSING INVESTMENT PLAN 2024-2029

634. The Cabinet considered a report by the Director of Environment seeking approval for the proposed Strategic Housing Investment Plan 2024/25 to 2028/29, a copy of which accompanied the report.

The Scottish Government required local authorities to supplement their Local Housing Strategy (LHS) with a Strategic Housing Investment Plan (SHIP) setting out in detail the Council's affordable housing investment priorities, and detailed programme, for the coming 5 years. The SHIP would detail what houses would be built, the location and who the developer would be. The profile of the SHIP reflected the strategic priorities set out in the LHS for affordable housing delivery and addressed identified need for affordable homes in the local area.

It was explained that SHIPs must be produced and approved by local authorities annually. The existing SHIP programme would be rolled forward and added to, taking into account up to date resource planning assumptions and subsidy levels as set out by the Scottish Government. It was noted that grant funding for affordable new build housing was conditional

on meeting additional requirements, such as: wheelchair accessible homes; fire suppression systems; additional indoor space for work or study; improved connectivity and access to outside space; higher energy efficiency standards; and the use of modern construction methods.

Having explained the way in which Affordable Housing Supply Programme (AHSP) funding was allocated to local authorities, the report set out the current resource and planning assumptions for East Renfrewshire, with an anticipated £36.73m available for projects in the period 2024-29. This included over programming of projects to provide for slippage of around 25%.

The proposals for development of social housing in 2024/25 to 2028/29 were set out in the programme tables attached as Appendix 1 to the report.

Officers responded to members' questions about the report, in particularly around the achievability of the SHIP, where it was highlighted that there were no significant concerns around the deliverability of the programme set out.

In response to a question from the Leader about any capacity beyond the identified 600 in the Local Development Plan (LDP2) for additional housing, the Head of Environment (Strategic Services) indicated that he would provide further information on this after checking with Planning colleagues.

Thereafter, the Cabinet:-

- (a) approved the East Renfrewshire Strategic Housing Investment Plan 2024-2029 for submission to the Scottish Government by 27 October 2023;
- (b) noted the significant pressure for additional affordable housing to meet the needs of residents, and the contribution that the SHIP programme made in addressing that; and
- (c) asked that the Head of Environment (Strategic Services) provide further information to the Leader of the Council on the capacity within the Council's Local Development Plan (LDP2) for additional housing above and beyond that in the outlined programme.

NEW COUNCIL HOUSING CONTRACT VARIATION

635. The Cabinet considered a report by the Director of Environment advising of a potential breach of Contract Standing Orders and requesting that any required variation be approved by the Cabinet retrospectively.

The Cabinet had approved in principle a programme to build up to 120 new Council homes at its meeting on 10 November 2016 (Page 2100, Item 2255 refers). This number was subsequently increased to 240 and then to 370.

CCG (Scotland) Ltd had been approved to undertake the design and build of the homes at a number of sites detailed in the report, with associated timescales. However, the programme had suffered delays, particularly due to the impact of COVID restrictions, labour and materials shortages, works to connect power cables to the SPEN network, additional works required for the creation of a pumping station and adaptations to meet the accessibility needs of individual applicants.

These factors had resulted in an over spend of potentially up to £141,397, broken down into two figures. The first was due to additional works carried out in terms of accessibility of properties to meet the specific needs of applicants (£66,397), the second was related to a Loss and Expense claim of £75,000 relating to additional costs as per the terms of the contract. The claim was under assessment by the Council's Legal Services before any payment was approved. If rejected, it was noted that this would reduce the overspend to £66,397 and therefore fall into an allowable overspend which would not violate Contract Standing Orders.

There followed a brief discussion where the Head of Environment (Strategic Services) clarified that, due to the ongoing legal process in assessing the Loss and Expense claim, it was not appropriate for him to comment on the possible outcome of that process. He also clarified that the works undertaken in terms of the first part of the overspend were necessary works to enable properties to be used by residents with specific housing needs.

Thereafter, the Cabinet noted the potential breaches in Contract Standing Orders with regard to contract value variations of up to £141,397 (subject to finalised legal assessment of contractual liability).

HOUSING SERVICES ANNUAL PERFORMANCE REPORT 2022-23 AND ASSURANCE STATEMENT (SCOTTISH SOCIAL HOUSING CHARTER)

636. The Cabinet considered a report by the Director of Environment seeking approval for the Housing Services Annual Performance and Assurance Statement.

By way of background, the report explained that the Scottish Social Housing Charter (SSHC) required each landlord to provide the Scottish Housing Regulator (SHR) with detail of performance against 37 performance indicators and information for 32 contextual indicators by 31 May each year. This was known as the Annual Return on the Charter (ARC). This detail had been submitted to Cabinet each year since its introduction in 2013/14.

Following receipt of these returns, the SHR would produce a summary Landlord Report for every social landlord in Scotland; and an Engagement Plan for each landlord, which outlined the areas of scrutiny they would focus on, based on the prior year's reported performance.

The SHR's Regulatory Framework also required all social landlords to produce an Annual Assurance Statement (AAS) confirming compliance with the Regulatory Framework, SSHC standards and with statutory obligations, and on approval by the local authority to submit this to SHR for consideration annually by 31 October.

Copies of the performance report against the SSHC; the action plan to further strengthen compliance against the Regulatory Framework and SSHC; and the AAS 2022 accompanied the report.

The performance report against the SSHC demonstrated that Housing Services was performing well in key areas in comparison to last year and the average for the housing sector in Scotland, with a number of examples of good practice highlighted in relation to repairs, maintenance, empty homes, and rent arrears.

Areas for improvement were also outlined, reference being made to the proposed programme of work to achieve compliance with Electrical Installation Condition Reports (EICRs); improving customer engagement and communication; and the provision of homeless accommodation.

As well as being submitted to the SHR following approval, the AAS would be published and made available to tenants as well as made available online and by request to other customers of the Council.

The Head of Environment (Strategic Services) then responded to members' questions, in particular around the impact of the upcoming changes to energy efficiency standards and any impact this might have on performance. He explained that performance standards were applied across all local authorities and performance examined relatively. As all authorities would be required to meet the new standard, it would not necessarily mean an issue in terms of performance as the Council would be assessed relatively to the performance of other authorities in this area.

Thereafter, the Cabinet:-

- (a) noted performance for 2022/23 against SSHC indicators and measures, and comparisons to the previous year and wider housing sector;
- (b) noted the action plan to continue to strengthen compliance against the regulatory framework and SSHC; and
- (c) approved the 2023 Annual Assurance Statement of compliance with the Regulatory Framework and SSHC standards and its submission to the Scottish Housing Regulator by 31 October 2023.

LICENSING OF SHORT TERM LETS

637. The Cabinet considered a report by the Director of Environment seeking approval of amendments to East Renfrewshire Council's Short Term Let (STL) Policy following a change to Scottish Government Guidance.

Cabinet approved the Council's STL on 13 October 2022 (Page 232, Item 174 refers). The definition of a short term let was a business agreement to use residential accommodation by a guest: excluding hotels, hostels and other licensable activities such as mobile homes. "AirBnB" was a popular example.

In June 2023, a court ruling had declared that parts of the City of Edinburgh's STL policy were unlawful. Subsequently, the Association of Scottish Self Caterer had written to the Scottish Housing Minister, intimating that they might take legal action against other Scottish local authorities over potential "illegalities" in their STL policies.

East Renfrewshire Council had received 2 enquiries from STL operators regarding space standards. Of 4 properties managed by those operators, 3 might be unable to meet the bedroom space standards set out in the existing policy. They further advised that other local hosts were considering exiting the market as they felt they could not comply with the space standards set out in the current policy.

Newly published guidance from the Scottish Government stated that, "in determining an appropriate maximum occupancy for a short term let premises, licensing authorities should note that minimum space standards that apply to HMO licensing do not apply to short term lets. Guests staying in a short term let may be prepared to accept staying in a smaller room that does not meet the HMO bedroom space standards in a number of cases such as city breaks where the room is only used as a bed for the night, or where the premises has large living accommodation."

The existing policy had been amended in accordance with that new guidance, while still utilising statutory space standards set out in the HSA 1987. Where space standards were not met, properties would be inspected jointly by Housing Services and colleagues from Environmental Health to determine the risks.

The report also provided details on the use of additional conditions for STL licences and when they were likely to apply. This covered issues such as hot tubs, waste disposal and anti-social behaviour. Such conditions, if applied, had to be applied to all properties and not on a case by case basis.

The Senior Housing Manager indicated that a watching brief was being kept on this area in case of further amendments to guidance, and the department would react appropriately to any changes.

Thereafter, the Cabinet:-

- (a) noted the timescale changes associated with extended application deadlines;
- (b) homologated the decision to update space standards for short term lettings; and
- (c) approved the updated Short Term Let Policy.

UPDATE ON THE LOCAL AUTHORITY COVID ECONOMIC RECOVERY FUND

638. The Cabinet considered a report by the Director of Environment on the progress of the Local Authority COVID Economic Recovery Fund (LACER) in East Renfrewshire.

The Scottish Government announced LACER on 21 February 2022, with £80m of funding aimed at supporting businesses and communities to help Scotland as it moved to a new phase in the Coronavirus pandemic. Funds were allocated based on the number of towns and population in a local authority area and deprivation indices. East Renfrewshire Council had been awarded £1.469m of this funding. LACER funding required to be fully committed by the end of March 2024.

Cabinet had agreed a three-tiered approach to this fund at its meeting on 18 August 2022 (Page 108, Item 83 refers), providing support to businesses who were linked to low-income households; support to businesses who were most adversely affected by the pandemic; and support to low-income households who were most adversely affected by the pandemic.

A call for proposals had been issued on 25 May 2022 to internal and external stakeholders, with a working group set up with officers from Economic Development and Business Operations and Partnerships to assess proposals against the fund's objectives.

A series of projects, highlighted at Annex A to the report, were developed, providing a mix of outcomes across the 3 specified criteria. 19 had been approved at the 18 August 2022 meeting of Cabinet, spending £1,271,774 of the funding by 31 March 2023. The remaining £174,073 was committed to be spent by the deadline of 31 March 2024.

The report also detailed reallocation of underspend within the programme of circa £20,000 to achieve full spend.

In response to a question from the Leader regarding the underspend by the “Scotland Loves Local” project, the Economic Development and Inclusive Growth Manager agreed to respond to him with full detail after consulting with colleagues in Finance.

Thereafter, the Cabinet:-

- (a) noted and approved the update provided on the delivery and spend associated with the LACER fund; and
- (b) noted that the Economic Development and Inclusive Growth Manager would give further detail to the Leader on the “Scotland Loves Local” underspend following consultation with Finance.

LOCAL DISCRETIONARY FUND 2 – REQUEST FOR FURTHER BUSINESS GROWTH INTERVENTIONS

639. The Cabinet considered a report by the Director of Environment on the progress of the implementation of the Local Discretionary Fund 2 (LDF2) and seeking approval for further business growth interventions for use of the remaining funds.

The sum of £1.25m had been awarded to East Renfrewshire Council for the Local Discretionary Fund to support local businesses as part of the Scottish Government’s ongoing response to the COVID pandemic. The Cabinet approved the use of these funds at its meeting on 13 October 2022 (Page 234, Item 177 refers).

Local authorities could use this funding to provide direct financial support to businesses in their area specifically for the purposes of mitigating immediate financial challenges arising from COVID-19 restrictions and regulations. Scottish Government guidance asked local authorities to prioritise micro, small and medium-sized enterprises (250 employees or fewer) and the self-employed as the recipients of the funding.

The current programme, implemented in December 2022, supported businesses up to the end of March 2024. COSLA had subsequently agreed that unspent funds could be carried forward into the 2024/25 financial year, with strict eligibility criteria and a robust due diligence process for assessing each grant application and award.

The key achievements of the programme, as at July 2023, were detailed in the report.

It was noted that applications could take time to develop into viable propositions and, with the time frame extended, more businesses would be able to take advantage of the grant funding available.

Proposals were outlined to spend the £638,281 remaining in the fund during the 2024/25 financial year, delivering continued support to existing beneficiaries and supporting more local businesses to develop new programmes to respond to local business needs. The proposals were fully detailed in the report.

The proposed programme would support over 170 local businesses with specific growth activity that would improve their resilience and improve job retention, job creation and increased turnover, with a view to creating wider economic activity across East Renfrewshire.

The Economic Development and Inclusive Growth Manager indicated, in response to members' questions, that once the LDF2 had concluded, it was expected that a UK Shared Prosperity Fund would be put in place to provide continued assistance. In particular, he indicated that the Enterprise Academy Programme would be looked at to ensure it was responsive to the needs of local businesses going forward.

Thereafter, the Cabinet:-

- (a) noted the activity to date on the Local Discretionary Fund 2 programme;
- (b) agreed to additional activities to use the remaining Local Discretionary Fund 2 funding as set out in the proposed interventions in paragraph 9 of the report;
- (c) delegated to the Director of Environment to vary the amounts allocated under each programme based on the level of take up and to ensure full spend of the Scottish Government allocation; and
- (d) agreed to extend the programme of activities until the end of March 2025.

CHAIR

