

HOUSING AND TECHNICAL RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 31 October 2018

Chair:

Councillor Josh Wilson

Councillors Present:

Councillor Alex Allison (*substitute for Councillor Richard Nelson*), Councillor Robert Brown, Councillor Archie Buchanan, Councillor Jackie Burns, Councillor Janine Calikes, Councillor Stephanie Callaghan (Depute), Councillor Maureen Chalmers, Councillor Gerry Convery, Councillor Maureen Devlin, Councillor Mary Donnelly, Councillor Allan Falconer, Councillor Alistair Fulton, Councillor Geri Gray, Councillor Martin Lennon, Councillor Catherine McClymont (*substitute for Councillor Eileen Logan*), Councillor Colin McGavigan, Councillor Mark McGeever (*substitute for Councillor Poppy Corbett*), Councillor Carol Nugent, Councillor Mo Razzaq, Councillor Collette Stevenson, Councillor Jared Wark (*substitute for Councillor Eric Holford*)

Councillors' Apologies:

Councillor Graeme Campbell, Councillor Andy Carmichael, Councillor Poppy Corbett, Councillor Eric Holford, Councillor Eileen Logan, Councillor Richard Nelson, Councillor John Ross (ex officio), Councillor David Shearer

Attending:

Finance and Corporate Resources

J Burke, Administration Assistant; M M Cairns, Legal Services Manager; H Goodwin, Finance Manager (Resources); C Lyon, Administration Officer; E McPake, Human Resources Business Partner; L O'Hagan, Finance Manager (Strategy)

Housing and Technical Resources

D Lowe, Executive Director; A Finnan, Head of Housing Services; J Forbes, Property Manager (Assets and Estates Services); F McCafferty, Head of Property Services

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Housing and Technical Resources Committee held on 22 August 2018 were submitted for approval as a correct record.

The Committee decided: that the minutes be approved as a correct record.

3 Capital Budget Monitoring 2018/2019 - Housing and Technical Resources (excl HRA)

A joint report dated 26 September 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted advising of progress on the capital programme for Housing and Technical Resources (excl HRA) for the period 1 April to 17 August 2018.

The Committee decided: that the Housing and Technical Resources' capital programme (excl HRA) of £8.630 million and expenditure to date of £1.177 million be noted.

[Reference: Minutes of 22 August 2018 (Paragraph 3)]

4 Capital Budget Monitoring 2018/2019 - Housing and Technical Resources (HRA)

A joint report dated 26 September 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted advising of progress on the capital programme for Housing and Technical Resources (HRA) for the period 1 April to 17 August 2018.

The Committee decided: that the Housing and Technical Resources' capital programme (HRA) of £53.664 million and expenditure to date of £17.000 million be noted.

[Reference: Minutes of 22 August 2018 (Paragraph 4)]

5 Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (excl HRA)

A joint report dated 26 September 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted comparing actual expenditure at 17 August 2018 against budgeted expenditure for Housing and Technical Resources' revenue budget (excl HRA), together with a forecast for the year to 31 March 2019.

Funding had been allocated by the Scottish Government for temporary accommodation within the Homeless Service. The Resource was working to quantify the level of funding that would not be required within the current year as a result of the proposed implementation timescales. The underspend would be transferred to reserves to manage future pressures in this area.

The Committee decided:

- (1) that the breakeven position on the Housing and Technical Resources' revenue budget (excl HRA), as detailed in Appendix A to the report, be noted;
- (2) that the forecast to 31 March 2019 of a breakeven position be noted; and
- (3) that the proposed budget virements be approved.

[Reference: Minutes of 22 August 2018 (Paragraph 5)]

6 Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (HRA)

A joint report dated 26 September 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted comparing actual expenditure at 17 August 2018 against budgeted expenditure for Housing and Technical Resources' revenue budget (HRA), together with a forecast for the year to 31 March 2019.

The Committee decided:

- (1) that the breakeven position on the Housing and Technical Resources' revenue budget (HRA), as detailed in Appendix A to the report, be noted; and
- (2) that the forecast to 31 March 2019 of a breakeven position be noted.

[Reference: Minutes of 22 August 2018 (Paragraph 6)]

7 Housing and Technical Resources - Workforce Monitoring - April to June 2018

A joint report dated 17 September 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted on the following employee information for Housing and Technical Resources for the period July and August 2018:-

- ♦ attendance statistics
- ♦ occupational health statistics
- ♦ accident/incident statistics
- ♦ discipline, grievance and Dignity at Work cases
- ♦ analysis of leavers and exit interviews

The Committee decided: that the report be noted.

[Reference: Minutes of 22 August 2018 (Paragraph 7)]

8 Cathkin Braes Tenant Management Co-operative – Renewal of 5 Year Management Agreement

A report dated 19 September 2018 by the Executive Director (Housing and Technical Resources) was submitted on:-

- ♦ the performance of Cathkin Braes Tenant Management Co-operative in the period 1 April 2014 to 31 March 2018
- ♦ proposals to enter into a 5 year Management Agreement from April 2019 to March 2024

Cathkin Braes Tenant Management Co-operative (TMC) managed 205 properties, with a mix of tenemental flats and terraced/semi-detached houses. The area had undergone significant regeneration in the last 14 years in which the TMC had been involved.

Following an independent review of the operation of the TMC in 2013, this Committee had approved the retention of the TMC as management agent, subject to the conditions of a new Management Agreement being met. A 5 year Management Agreement had subsequently been agreed and the TMC commenced on 1 April 2014.

The Management Agreement required the TMC to fulfil particular requirements in terms of governance, scrutiny and performance management.

During the period of the current agreement, the TMC had been subjected to a robust performance management framework and reporting, which included regular meetings with officers from Housing and Technical Resources and Finance and Corporate Resources. The TMC held an Annual General Meeting of its members and accounts were externally audited.

The TMC's service performance in relation to key indicators, including repairs and maintenance, rent collection, voids and estate management, was very good and compared favourably with the Council's overall performance.

It was, therefore, proposed that:-

- ◆ the Management Agreement be refreshed by the Council's Legal Services
- ◆ the TMC be invited to seek independent legal advice
- ◆ subject to the TMC meeting the requirements of the refreshed Management Agreement, a new 5 year Agreement be entered into effective from 1 April 2019

The Committee decided: that Cathkin Braes Tenant Management Co-operative continue to act as management agent, subject to meeting the requirements of the new Management Agreement, for the period April 2019 to March 2024.

[Reference: Minutes of 4 September 2013 (Paragraph 10)]

9 Cambuslang Gate, Cambuslang – Renegotiation of Lease

A report dated 17 September 2018 by the Executive Director (Housing and Technical Resources) was submitted on a request to extend the existing lease agreements in relation to Cambuslang Gate, Cambuslang.

The performance of the Council's office portfolio was reviewed regularly and opportunities assessed to further improve its efficiency. An opportunity had arisen in terms of the accommodation at Cambuslang Gate, Cambuslang.

The property was owned by Magnolia Estates II Limited and the lease to the Council had 8 years remaining, with a current rental of £455,000 per annum, with the final 5 yearly rent review due in March 2021. The owners of the accommodation had approached the Council to discuss a renegotiation of terms.

Following the closure of Royal Burgh House, Rutherglen earlier this year, Cambuslang Gate was now the principal corporate office within the Rutherglen and Cambuslang area. The redesign of accommodation and use of flexible working had accommodated the transfer of staff from Rutherglen and the property was used for the delivery of front facing services.

Based on current projections for service demand, there was a long term requirement for office accommodation at this location. Public sector partners, such as the Department for Work and Pensions and NHS Lanarkshire, delivered services from adjoining facilities. The property was also important to the economic welfare of Cambuslang Town Centre, with employees based at the property, as well as visitors, supporting the surrounding retail and service industry.

In view of this, Cambuslang Gate had a medium to long-term role in local service provision and, therefore, officers had entered into provisional negotiations. Following those negotiations, it was proposed that the terms of the existing lease be replaced with updated principal terms and conditions which were detailed in Section 4 of the report.

The proposed terms and conditions represented market value and offered a rental reduction of £95,000 per annum on the current terms.

The Committee decided:

- (1) that the revised terms and conditions for the lease of Cambuslang Gate, Cambuslang, as detailed in Section 4 of the report, be approved; and

- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all matters in respect of the grant of lease and to enter into the necessary legal agreements on terms which were in the best interests of the Council.

[Reference: Minutes of the Executive Committee of 3 November 2010 (Paragraph 8)]

Councillor Wark entered the meeting after this item of business

10 Former Rowans Hall, Birch Place, Blantyre – Asset Transfer to Blantyre Soccer Academy SCIO

A report dated 21 September 2018 by the Executive Director (Housing and Technical Resources) was submitted on the community asset transfer of the former Rowans Hall and surrounding land at Birch Place, Blantyre to Blantyre Soccer Academy SCIO.

The property known as Rowans Hall, Birch Place, Blantyre closed in 2016 and, although details of the property had been circulated in the Property Bulletin, no operational requirements had been identified within the Council.

Blantyre Soccer Academy had been seeking new premises in the Blantyre area and had approached the Council in August 2017 with a proposal for Rowans Hall. A formal application for asset transfer under the Community Empowerment (Scotland) Act 2015 had been submitted on 4 June 2018.

The Community Asset Transfer Panel had considered the application on 23 August and 4 September 2018.

The Council was obliged to obtain best value in respect of all its property transactions. Taking into account the condition of the building, the community benefits derived through the asset transfer, the ongoing revenue costs and long term liability to the Council arising from the vacant property, the Community Asset Transfer Panel recommended sale of the property at a nominal value.

The principal terms and conditions of the lease were detailed in the report and included confirmation that the purchase price would be £1.

Following discussion, it was proposed that consideration of this item of business be continued to a future meeting of this Committee to allow further details in relation to the asset transfer process to be provided to Committee members.

The Committee decided: that the community asset transfer of the former Rowans Hall and surrounding land at Birch Place, Blantyre to Blantyre Soccer Academy SCIO be continued to a future meeting of this Committee.

11 Residential Portfolio Purchase in East Kilbride

A report dated 21 September 2018 by the Executive Director (Housing and Technical Resources) was submitted on the proposed acquisition of a portfolio of 7 properties at various locations within East Kilbride at a cost of £579,950 to be added to the Council's housing stock.

At its meeting on 1 July 2015, this Committee approved proposals for a Council House Open Market Purchase Scheme to increase the supply of Council housing stock.

Franchville Investments Limited owned a portfolio of 38 properties for private rent within East Kilbride which they proposed to advertise on the open market. Before doing this, they had approached the Council to enquire whether the Council would be interested in purchasing their portfolio.

During discussions, 7 properties had been identified as meeting the Council's requirements and provisional negotiations had been undertaken. In line with usual practice, the Council's surveyors had sought to secure best value on the basis of a negotiated reduction on the Home Report, wherever appropriate.

The approved delegated authority maximum threshold for acquisition of the purchase of suitable property was up to £100,000. The purchase of those 7 properties was being treated as a single transaction which resulted in a saving on the Land and Building Transaction Tax (LBTT). As the purchase price was over the threshold limit, Committee approval was required.

The purchase of the 7 properties would assist in meeting the need for high demand property types in the East Kilbride area, where stock had been depleted through Right to Buy.

The principal terms and conditions of the acquisition were detailed in Section 4 of the report.

The Committee decided:

- (1) that the residential portfolio consisting of 7 properties at various locations within East Kilbride be acquired by the Council from Franchville Investments Limited at a cost of £579,950 exclusive of VAT; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all matters relating to the acquisition of the portfolio and to enter into the necessary legal agreements on terms which were in the best interests of the Council.

[Reference: Minutes of 1 July 2015 (Paragraph 9)]

12 Update on Welfare Reform Legislative Changes

A report dated 8 October 2018 by the Executive Director (Housing and Technical Resources) was submitted on the impact of key aspects of the Welfare Reform Programme on landlord and homelessness services.

An update was provided on the following activities:-

- ◆ Universal Credit
- ◆ under occupancy provisions
- ◆ benefit cap

To support the ongoing implementation of the Welfare Reform Programme, an additional 3 FTE posts of Housing Officer at Grade 2, Level 1-4, SCP 33-57 (£19,307 to £27,446) had been appointed within the Benefits are Changing Team for a temporary period of 6 months in October 2017, which had been extended for a further 12 months in March 2018.

This had been successful in helping to meet the increased volume of tenants moving onto UC who required support and assistance. The Benefits are Changing Team played a vital role in supporting tenants not only to make their claim for UC, but also to signpost customers to other services and supports available. It was, therefore, proposed to increase the establishment on a permanent basis in order that this support be continued.

During 2017/2018, the management of former tenants' arrears transferred from Finance and Corporate Resources to Housing and Technical Resources. To support the management of this function and the income obtained from this to the Housing Revenue Account (HRA), an additional post of Administration Assistant at Grade 2, Level 1, SCP 33-35 (£19,307 to £19,909) had been established for a temporary period in April 2018. It was now proposed to increase the establishment on a permanent basis in order to maximise the income to the HRA.

The Committee decided:

- (1) that the update on the impact of the key aspects of the Welfare Reform Programme be noted; and
- (2) that the 4 FTE posts, as detailed above, be added to the Resource establishment on a permanent basis.

[Reference: Minutes of 7 March 2018 (Paragraph 14)]

13 Annual Report on the Scottish Social Housing Charter (ARC) 2017/2018

A report dated 11 October 2018 by the Executive Director (Housing and Technical Resources) was submitted on the Scottish Social Housing Charter 2017/2018.

The Charter contained 32 contextual indicators, 25 of which related to both councils and Registered Social Landlords (RSLs), with the remaining 7 only applying to RSLs. In line with the requirements set out by the Scottish Housing Regulator (SHR), Housing and Technical Resources had submitted its 2017/2018 performance information on 30 May 2018.

Nationally, the SHR had published a report at the end of August 2018 which covered 18 of the indicators, detailing the position across all 193 social housing landlords in Scotland. Appendix 1 to the report set out the 18 indicators and, where appropriate, provided a comparison with both the Scottish average and other Scottish local authority landlords.

As part of the Charter requirements, the Council was required to publish a more detailed annual report on its performance by the end of October 2018. Tenants on the Tenants' Participation Co-ordination Group (TPCG) had been involved in the development of the Council's report on performance, which would be included in the 'Housing News' and published on the Council's website.

The current framework had been introduced by the SHR in 2012, with a commitment to undertake a review after 5 years. A pre-consultation process on this review had been undertaken in March 2018, with a formal consultation to take place in October 2018. Early indications from the pre-consultation had established that the Regulator would introduce an Annual Assurance process for all landlords. This would require that Boards/Committees submit a statement confirming assurance that all Regulatory standards were being met. Work was currently ongoing to determine how this requirement could best be adopted into the Council's existing process.

The Committee decided:

- (1) that the Council's performance and associated contextual information in relation to the Scottish Social Housing Charter and comparisons with other landlords, as detailed in Appendix 1 to the report, be noted; and

- (2) that the future use of the Charter for ongoing scrutiny by the Scottish Housing Regulator (SHR), tenants and other service users be noted.

[Reference: Minutes of 4 October 2017 (Paragraph 12)]

14 Delegated Authority Report - Update

A report dated 21 September 2018 by the Executive Director (Housing and Technical Resources) was submitted on the level of transactions processed by Property Services during 2017/2018 along with transactions for the period 1 April to 30 June 2018.

The Executive Director (Housing and Technical Resources), under delegated powers, had authority to deal with various transactions including:-

- ◆ leases up to the value of £50,000 per annum and a maximum period of 20 years
- ◆ rent reviews up to an increase of £20,000 per annum
- ◆ disposals up to a value of £200,000
- ◆ acquisitions up to a value of £100,000

Details of the annual summary of all transactions progressed under delegated authority during the financial year 2017/2018 were as follows:-

Number of transactions	223
Total value of lease transactions	£1,009,578 per annum
Total value of capital transactions	£3,840,989

Details of the transactions undertaken in the period 1 April to 30 June 2018 were as follows:-

Number of transactions	63
Total value of lease transactions	£410,749 per annum
Total value of capital transactions	£974,437

The Committee decided: that the level of transactions processed by Property Services under delegated authority during 2017/2018, and for the period 1 April to 30 June 2018, be noted.

[Reference: Minutes of 7 March 2018 (Paragraph 16)]

15 2018 Property and Housing Asset Management Plans

A report dated 4 October 2018 by the Executive Director (Housing and Technical Resources) was submitted on the outcomes of the 2018 Property and Housing Asset Management Plans' process, including the Local Government Benchmarking Framework (LGBF) Indicator outcomes for property condition and suitability.

Key facts from each of the Asset Management Plans were provided in separate appendices to the report.

LGBF Indicators for Asset Management related to property Core Facts for condition and suitability for direct operational property, excluding housing.

Benchmarking for 2018 had given the following return for the LGBF indicators:-

- ♦ in relation to condition, this showed 87% in a satisfactory condition (87% in 2017)
- ♦ in relation to suitability, this showed 96% of properties suitable for service delivery (96% in 2017)

The Committee decided:

- (1) that the content of the 2018 Property and Housing Asset Management Plans be noted; and
- (2) that the updated Local Government Benchmarking Framework Indicators for property condition and suitability be noted.

[Reference: Minutes of 13 December 2017 (Paragraph 18)]

16 Urgent Business

There were no items of urgent business.