

HOUSING AND TECHNICAL RESOURCES COMMITTEE

Minutes of special meeting held via Confero and in the Council Chamber, Council Offices, Almada Street, Hamilton on 23 January 2023

Chair:

Councillor Davie McLachlan

Councillors Present:

Councillor Walter Brogan, Councillor Mathew Buchanan, Councillor Janine Calikes, Councillor Gerry Convery, Councillor Margaret Cooper, Councillor Andrea Cowan, Councillor Maureen Devlin, Councillor Colin Dewar, Councillor Grant Ferguson, Councillor Alistair Fulton, Councillor Cal Johnston-Dempsey (*substitute for Councillor Geri Gray*), Councillor Martin Lennon (Depute), Councillor Richard Lockhart, Councillor Julia Marrs, Councillor Ian McAllan, Councillor Kenny McCreary, Councillor Norman Rae, Councillor David Shearer, Councillor Helen Toner (*substitute for Councillor John Bradley*), Councillor Margaret B Walker (*substitute for Councillor Allan Falconer*)

Councillors' Apologies:

Councillor John Bradley, Councillor Archie Buchanan, Councillor Joe Fagan (*ex officio*), Councillor Allan Falconer, Councillor Ross Gowland, Councillor Geri Gray, Councillor Lynsey Hamilton, Councillor Ross Lambie

Attending:

Finance and Corporate Resources

H Calley, Administration Officer; H Goodwin, Finance Manager (Resources); R McKie, Finance Advisor, K McLeod, Administration Assistant; L Wyllie, Administration Assistant

Housing and Technical Resources

S Gibson, Executive Director; A Finnan, Head of Housing Services; J Forbes, Head of Property Services; C Mitchell, Strategy and Support Manager

Chair's Opening Remarks

The Chair extended his thanks to the members of the Budget Scrutiny Group and the Tenant Participation Consultation Group for their contribution to the budgetary process.

1 Declaration of Interests

No interests were declared.

2 Housing Revenue and Capital Account Budget 2023/2024

A joint report dated 12 January 2023 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted on:-

- ◆ the Revenue Estimate proposals for the Housing Revenue Account (HRA) for 2023/2024 which had been prepared in line with the 30-year Business Plan
- ◆ the 2023/2024 Housing Capital Programme totalling £63.916 million

The HRA revenue budget submission for 2023/2024 had been prepared in line with the 30-year HRA Business Plan, developed to reflect investment priorities of maintaining and improving the housing stock to the Scottish Housing Quality Standard (SHQS) and the updated Energy Efficiency Standard for Social Housing (EESSH2). The programme also included projects to increase the supply of Council housing as well as environmental works and legislative compliance programmes, to ensure that all safety requirement standards were met.

The movement, as compared to the existing 2022/2023 revenue budget, was outlined in Appendix 1 to the report. The movements were summarised in the report.

The 2023/2024 budget proposal also included a bad debt provision of £3.524 million which was required to continue to provide for the potential impact on rent collection and arrears. This included contingency for the ongoing uncertainty on rental collections in the coming year due to cost-of-living pressures and an allocation of £0.150 million for tenancy sustainment mitigation.

On 20 December 2022, the Scottish Government indicated that it intended to end the rent control provisions in the social rented sector from the end of March 2023. This position followed the agreement of a “statement of intent” by the Convention of Scottish Local Authorities (COSLA), confirming that local authorities were committed to keeping rent increases to an average of no more than £5 per week (exclusive of service charges) and that Scottish Federation of Housing Associations members were consulting on increases which would average at 6.1%. On 12 January 2023, the Scottish Government confirmed that the current rent control provisions for the social rented sector would no longer apply from 1 April 2023.

A 1 year rent increase of 3.5% was proposed for 2023/2024 and, to achieve this, a re-profiling of the long-term investment priorities had been undertaken. Short-term investment priorities and current service levels would be maintained. This equated to a weekly increase on the average Council rent of £2.67 which was significantly below the £5 maximum agreed by COSLA.

Based on the latest Scottish Social Housing Charter returns, the average rent charges for South Lanarkshire Council tenants remained affordable and were currently the 8th lowest of local authority landlords in Scotland. In addition, South Lanarkshire Council tenants’ rent charges were the lowest of all the social landlords operating in South Lanarkshire.

In line with the HRA Business Plan, a reduction of £0.278 million for efficiencies had been included within the Resource’s Supervision and Management budget which would not affect the delivery of services to tenants.

At its meeting on 18 January 2023, the Council noted a savings option in relation to the potential redirection of funds from second home council tax income to meet wider Council budget gaps. This option was part of the list of flexibilities presented by COSLA and local authorities to the Scottish Government in relation to specific Government policies which could be used to release funding to help with councils’ funding pressures. The Council would, at a future meeting, decide whether to agree this option.

Details of the proposed Housing Capital Programme, totalling £63.916 million, were provided in Appendix 2 to the report and information on how the Programme would be funded was summarised in the report. At the Executive Committee on 30 November 2022, a new Council House Supply programme target of 1,300 additional Council homes was approved.

The Budget Scrutiny Group (BSG) took a lead role in co-ordinating and delivering wide-ranging consultation with tenants and other stakeholders, including a Tenants’ Satisfaction Survey. The key issues and challenges facing the Council identified by the BSG were provided in the report.

During the initial meetings with both the BSG and the Tenant Participation Co-ordination Group (TPCG), there had been broad support of:-

- ◆ a further 1 year rent increase
- ◆ the proposed 3.5% increase in 2023/2024
- ◆ the Council maintaining its position as one of the most affordable local authority rents in Scotland

A summary of the feedback received from the consultation process, co-ordinated by the Tenants Information Service (TIS), was detailed in the report.

The Committee recommended to the Executive Committee:

- (1) that the proposed rent increase of 3.5% to all Council houses, Gypsy/Traveller sites, lockups and garage sites and the revenue estimate proposals for the HRA, as detailed in Appendix 1 to the report, be endorsed; and
- (2) that, based on the rent increase of 3.5%, the 2023/2024 Housing Capital Programme of £63.916 million, as detailed in Appendix 2 to the report, be endorsed.

[Reference: Minutes of the Executive Committee of 30 November 2022 (Paragraph 7) and Minutes of South Lanarkshire Council of 18 January 2023 (Paragraph 2)]

3 Urgent Business

There were no items of urgent business.