

HOUSING AND TECHNICAL RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 7 March 2018

Chair:

Councillor Josh Wilson

Councillors Present:

Robert Brown, Archie Buchanan (Depute), Jackie Burns, Janine Calikes, Graeme Campbell, Andy Carmichael, Maureen Chalmers, Poppy Corbett, Maureen Devlin, Mary Donnelly, Allan Falconer, Alistair Fulton, Geri Gray, Eric Holford, Graeme Horne, Eileen Logan, Catherine McClymont (*substitute for Councillor Convery*), Colin McGavigan, Richard Nelson, Carol Nugent, Mo Razzaq, David Shearer, Collette Stevenson, Bert Thomson (*substitute for Councillor Lennon*)

Councillors' Apologies:

Gerry Convery, Martin Lennon, John Ross (ex officio)

Attending:**Finance and Corporate Resources**

J Burke, Administration Assistant; 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 of 13 December 2017 were submitted for approval as a correct record.

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

3 Minutes of Special Meeting

The minutes of the special meeting of the Housing and Technical Resources Committee of 21 February 2018 were submitted for approval as a correct record.

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

4 Capital Budget Monitoring 2017/2018 - Housing and Technical Resources (excl HRA)

A joint report dated 31 January 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 2017 to 5 January 2018.

Work was ongoing to clarify the predicted spend position for this financial year and current estimates suggested an outturn of £3.835 million. This was an underspend of £0.776 million and reflected the anticipated timing of spend in relation to the Headquarters Fabric Upgrade project. Funding for that project would carry forward into next financial year.

The Committee decided: that Housing and Technical Resources' capital programme (excl HRA) of £4.611 million and expenditure to date of £1.202 million be noted.

[Reference: Minutes of 13 December 2017 (Paragraph 3)]

5 Capital Budget Monitoring 2017/2018 - Housing and Technical Resources (HRA)

A joint report dated 31 January 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 2017 to 5 January 2018.

Work was ongoing to clarify the predicted spend position for this financial year and current estimates suggested an outturn of £38.080 million. This was an underspend of £2.501 million and reflected the anticipated timing of spend in relation to the Urban Park Development at the former Blairbeth Golf Course site and the continued work of the Housing Investment Programme. Funding for those projects would carry forward into next financial year.

The Committee decided: that Housing and Technical Resources' capital programme (HRA) of £40.581 million and expenditure to date of £25.142 million be noted.

[Reference: Minutes of 13 December 2017 (Paragraph 4)]

6 Revenue Budget Monitoring 2017/2018 - Housing and Technical Resources (excl HRA)

A joint report dated 31 January 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted comparing actual expenditure at 5 January 2018 against budgeted expenditure for Housing and Technical Resources' revenue budget (excl HRA), together with a forecast for the year to 31 March 2018.

Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2018, was a breakeven position. The outturn position included proposed transfers to reserves totaling £0.659 million in respect of Temporary Homelessness General Revenue Grant funding required for the 2018/2019 savings exercise (£0.300 million) and also for use in future years (£0.359 million).

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 2018 of a breakeven position be noted; and
- (3) that the proposed budget virements be approved.

[Reference: Minutes of 13 December 2017 (Paragraph 5)]

7 Revenue Budget Monitoring 2017/2018 - Housing and Technical Resources (HRA)

A joint report dated 31 January 2018 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted comparing actual expenditure at 5 January 2018 against budgeted expenditure for Housing and Technical Resources' revenue budget (HRA), together with a forecast for the year to 31 March 2018.

Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2018 was a breakeven position. The outturn position included proposed transfers to reserves totalling £0.029 million.

The Committee decided:

- (1) that the breakeven position on Housing and Technical Resources' revenue budget (HRA), as detailed in Appendix A to the report, be noted;
- (2) that the forecast to 31 March 2018 of a breakeven position be noted; and
- (3) that the proposed budget virements be approved.

[Reference: Minutes of 13 December 2017 (Paragraph 6)]

8 Housing and Technical Resources - Workforce Monitoring - November and December 2017

A joint report dated 23 January 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 November and December 2017:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ disciplinary hearings, grievances and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ staffing watch as at 9 December 2017

The Committee decided: that the report be noted.

[Reference: Minutes of 13 December 2017 (Paragraph 8)]

9 Annual Report on Mainstreaming Equality and Diversity within Housing and Technical Resources

A report dated 8 February 2018 by the Executive Director (Housing and Technical Resources) was submitted on progress achieved in relation to mainstreaming Equality and Diversity within Housing and Technical Resources during 2016/2017 together with key action areas identified for 2017/2018.

“South Lanarkshire Working for You” Mainstreaming Equalities Report 2013 to 2017 had been published in April 2013. This detailed a number of Equality outcomes which all Resources were involved in developing and would work towards achieving.

A number of actions from Housing and Technical Resources' Service and Resource Plans were initially aligned to the Equality outcomes. Progress made on those actions had been monitored by the Resource Equality and Diversity Co-ordinating Group, with updates provided to Finance and Corporate Resources to inform both:-

- ◆ the mid-point update report to the Scottish Government as at March 2015
- ◆ the final report to the Scottish Government as at 31 March 2017 which was now published

The key achievements and areas of progress for Housing and Technical Resources for 2016/2017 were detailed in the report.

The "South Lanarkshire Working For You – Mainstreaming Equalities Report" had now been redrafted for the period 2017 to 2021, in line with the revised Council plan, Connect. Progress on Housing and Technical Resources' Equality outcomes would be monitored by the Resource Equality and Diversity Co-ordinating Group and reported on at a future date.

The Resource Equality and Diversity Monitoring Report aligned the new Equality Outcomes and would continue to drive the progress in relation to mainstreaming equalities across Housing and Technical Resources. Key principles to be achieved in 2017/2018 included:-

- ◆ considering actions for the Resource in the context of the redrafted Equality Outcomes as detailed in the 2017 to 2021 Mainstreaming report
- ◆ continuing to implement the process of equality impact assessment across all new and revised policy areas
- ◆ continuing the commitment to employee training and development in relation to equality and related issues
- ◆ increasing the supply of housing for a variety of needs
- ◆ continuing to deliver appropriate engagement opportunities for a range of stakeholders
- ◆ ongoing development of customer profiling
- ◆ delivering Equality and Diversity annual update reports to the Housing and Technical Resources Committee, Parent Joint Consultative Committee and Equal Opportunities Forum during 2017/2018, in line with the agreed reporting schedule

The Committee decided: that the report be noted.

[Reference: Minutes of 13 July 2016 (Paragraph 9)]

10 Housing Allocation Policy - Local Letting Plans 2018/2019

A report dated 6 February 2018 by the Executive Director (Housing and Technical Resources) was submitted on the:-

- ◆ performance of the Housing Allocation Policy measured against the 2017/2018 letting targets
- ◆ mainstream targets for 2018/2019
- ◆ sheltered housing letting targets for 2018/2019
- ◆ Local Letting Initiatives for 2018/2019
- ◆ South Lanarkshire Letting Initiatives

The planning process had been brought forward to allow letting targets and letting initiatives to be fully implemented from the start of the financial year 2018/2019. Consequently, the information provided in relation to the letting targets had been projected to the end of the financial year based on actual data collected during the period 3 April to 10 December 2017.

Performance information, which was set against targets for 2017/2018 for both mainstream and sheltered properties and was detailed in appendices 1 and 2 to the report, confirmed that the housing management areas were projected to meet their targets. In terms of the individual local office targets, there were some minor variations which, in general, could be attributed to variations in demand for housing within specific areas.

In relation to sheltered properties, the projected low annual turnover would impact on the ability to achieve the targets set, although the projected variance was expected to be minimal. Most variations were due to the low number of sheltered lets or differences in supply and demand within certain areas.

The proposed letting targets for mainstream properties for 2018/2019 for each of the housing management areas were also detailed in Appendix 1 to the report.

The letting targets proposed for sheltered properties were set out in Appendix 2 to the report and details of the proposed Local Letting Initiatives (LLIs) for 2018/2019 were set out in Appendix 3 to the report.

An internal review, which had been undertaken in relation to LLIs, had confirmed the need to retain all 6 LLIs and concluded that the current criteria should continue to be applied in 2018/2019.

Details of the South Lanarkshire Letting Initiative (SLLI), introduced to mitigate the impact of Welfare Reform in South Lanarkshire on tenants affected by the under occupancy provisions of the Welfare Reform Act 2012, were provided in Appendix 4 to the report. The impact of the Initiative had been limited in terms of mitigating the impact of under occupancy provisions, however, it remained a useful tool to help affected tenants and would be retained for 2018/2019, together with the current eligibility criteria.

The Housing Allocation Policy, including the sheltered housing aspect of the Policy would be subject to review during 2018/2019, as approved by this Committee at its meeting on 13 December 2017. The review would also incorporate changes stemming from the Housing (Scotland) Act 2014, with the social rented provisions commencing during 2019. The outcome of the review would be reported to this Committee during 2019.

The Committee decided:

- (1) that the performance achieved through the Housing Allocation Policy against the 2017/2018 letting targets be noted;
- (2) that the 2018/2019 mainstream letting targets, as detailed in Appendix 1 to the report, be approved;
- (3) that the 2018/2019 sheltered letting targets, as detailed in Appendix 2 to the report, be approved;
- (4) that the Local Letting Initiatives, as detailed in Appendix 3 to the report, be approved; and
- (5) that the South Lanarkshire Letting Initiatives, as detailed in Appendix 4 to the report, be approved.

[Reference: Minutes of 13 December 2017 (Paragraph 9) and 18 January 2017 (Paragraph 3)]

11 Variations to the Ground Lease at Hamilton Park Racecourse and Partial Assignment to Permit Hotel Development - Hamilton Park Racecourse Company Limited

A report dated 1 February 2018 by the Executive Director (Housing and Technical Resources) was submitted on proposals for partial assignment and change of use to grant a lease to Hamilton Park Racecourse Hotel Limited to permit the development of a hotel.

Hamilton Park Racecourse Company Limited had approached the Council in October 2017 to investigate a proposal for a hotel development within the Racecourse site to complement and enhance the racing facilities.

Following feasibility studies supported by Visit Lanarkshire, Hamilton Park Racecourse Company had submitted an application and been granted planning consent for a 118 bedroom hotel with associated parking.

The terms and conditions of the current lease agreement did not permit the proposed development and, therefore, the Council had been asked to agree to the variation of the current arrangements.

To deliver the proposal, a new company required to be created by Hamilton Park Racecourse Limited, namely Hamilton Park Racecourse Hotel Company Limited. This required the assignment of part of the lease to the new Company on terms which reflected the increased commercial value arising from the development.

Negotiations had been undertaken and provisional agreement reached on the principal terms and conditions for the variation of the existing lease, assignment and new lease which would see increased income to the Common Good Account of £55,000 per annum.

In addition, the rental income due under the current lease agreement for the Racecourse site would continue at either £15,000 per annum or 2.5% of annual turnover, whichever was the greater amount.

The principal terms and conditions for the new lease were detailed in the report.

The Committee decided:

- (1)** that the terms of the existing ground lease for Hamilton Park Racecourse be varied to facilitate the development of a hotel within the grounds of the Racecourse;
- (2)** that the lease be partially assigned to Hamilton Park Racecourse Hotel Company Limited on the principal terms and conditions set out in Section 4 of the report; and
- (3)** that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to enter into the necessary legal agreements which were in the best interests of the Council.

12 Disposal of Land at Highstonehall Road, Hamilton

A report dated 1 February 2018 by the Executive Director (Housing and Technical Resources) was submitted providing an update on the disposal of land at Highstonehall Road, Hamilton to Miller Homes Limited and Avant Homes Limited.

At its meeting on 18 May 2016, the Committee had approved the terms of a revised option and subsequent disposal of the site at Highstonehall Road, Hamilton, to Miller Homes and Bett Homes (now trading as Avant Homes) on the basis of a purchase price to be agreed between the parties and ratified by the District Valuer Service (DVS).

The proposed purchase price of £5,662,500 had been calculated taking into account deductions for:-

- ◆ developer's contribution in conjunction with the Section 75 agreement in relation to the wider Hamilton Community Growth Area
- ◆ abnormal development costs, identified by the developers following detailed site investigations and checked by the Council
- ◆ Miller Homes Limited receiving 15% discount to the price of the portion of the site that they were acquiring to reflect their current ownership of the site access

The Section 75 agreement, covering the wider Hamilton Community Growth Area, had now been finalised and signed and required a contribution of £10,665 per residential unit, which equated to £4,262,000 for the subjects.

Detailed site investigations had now been completed and abnormal costs had been calculated at £10,396,000. Those comprised of Joint Venture costs which would be incurred by both developers and related to elements such as site preparation, provision of infrastructure, provision of services and site specific ground remediation costs, which were greater than initially anticipated. The report, together with the calculation of costs, had been reviewed and verified by the Council officers as reasonable.

Discussions had taken place with Planning and Economic Development Services regarding any assistance City Deal funding could provide to the Community Growth Area, which might have a direct impact on the viability/deliverability of the proposed development. Off-site road upgrades, with associated works and site preparation of the Council's affordable housing area, had been identified as potential areas for support and had been included in the current City Deal bid, subject to City Deal Cabinet approval.

Following extensive negotiations, a revised value of £6,000,000 had been established. This required to be discounted by £338,500 due to Miller Homes' portion for their right of access, which provided a net figure of £5,662,500. This figure was conditional on the roads and social housing site preparation being funded by City Deal and a roads contract being awarded.

It was also proposed to replace the option agreement with a direct sale and, instead of the initial 6 development phases, the whole site would be prepared for development and serviced in a single phase, bringing forward the Capital Receipt and release of the social housing site.

The Committee decided:

- (1) that the site at Highstonehall Road, Hamilton, extending to 63 acres or thereby, be disposed of to Miller Homes Limited and Avant Homes Limited in such proportions as were to be agreed prior to the conclusion of a contract for a total price of £5,662,500 and in terms of the principal conditions contained in Section 5 of the report; 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 other matters pertaining to the disposal of the site and enter into the necessary legal agreements on terms which were in the best interests of the Council.

[Reference: Minutes of 18 May 2016 (Paragraph 9)]

13 Acquisition of Land at Westburn Road, Cambuslang

A report dated 1 February 2018 by the Executive Director (Housing and Technical Resources) was submitted on the acquisition of land at Westburn Road, Cambuslang, extending to 1.75 acres or thereby, for the construction of a roundabout and road improvements.

At its meeting on 26 August 2015, the Executive Committee noted that approval had been given for the Strategic Business Cases for the Glasgow and Clyde Valley City Deal, which included supporting development of the 4 Community Growth Areas at Newton, Larkhall, Hamilton and East Kilbride.

On 2 December 2015, the Executive Committee had approved the Newton Community Growth Area, Outline Business Case, which sought to deliver improvements to social and physical infrastructure to accommodate the increase in the number of residents and to prepare sites for development.

As part of those proposed infrastructure improvements for Newton, the land at the junction of Westburn Drive and Westburn Road was required for the construction of a roundabout.

Property Services had been instructed to purchase the area of land required and agreement had been provisionally reached to purchase the land extending to 1.75 acres, or thereby, for £137,500, exclusive of VAT, which was with the District Valuer Service for ratification. In addition, the Council would have rights over the hatched area detailed in the attached plan to the report, to be used for accommodation works during the course of the construction of the roundabout and associated works.

The other principal conditions of the acquisition were detailed in the report.

The Committee decided:

- (1) that the land at Westburn Road, Cambuslang, extending to 1.75 acres or thereby, as shown on the plan attached as an appendix to the report, be acquired from Patersons of Greenoakhill Limited, for £137,500, exclusive of VAT, and in terms of the principal conditions contained in Section 4 of the report, subject to verification by the District Valuer; 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 other matters in respect of the acquisition of the land and enter into the necessary legal agreements in terms which were in the best interests of the Council.

[Reference: Minutes of the Executive Committee of 2 December 2015 (Paragraph 13)]

14 Update on Welfare Reform Legislative Changes

A joint report dated 7 February 2018 by the Executive Directors (Housing and Technical Resources) and (Finance and Corporate Resources) was submitted on the:-

- ◆ impact of key aspects of the Welfare Reform programme on landlord and homelessness services
- ◆ roll-out of Universal Credit “Full Service” within South Lanarkshire

An update was provided on the following activities:-

- ◆ under occupancy provisions
- ◆ benefit cap
- ◆ Universal Credit (UC)

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 32-57 (£20,308 to £27,995) had been established within the Benefits are Changing Team for a fixed term period of 6 months in October 2017. This had been successful in helping to meet the increased volume of tenants moving onto UC and requiring support and assistance in the early stages around their housing costs claim and rent payments.

In order to support and assist South Lanarkshire Council tenants with the transition to UC and other changes to the benefits system, and establish regular payment patterns to minimise rent arrears related debt and promote tenancy sustainability, it was proposed that those 3 posts be retained within the establishment for a further temporary period of 12 months.

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 3 posts, as detailed above, be retained within the Resource establishment for a further period of 12 months.

[Reference: Minutes of 13 December 2017 (Paragraph 16)]

15 Notification of Contracts Awarded 1 September 2017 to 28 January 2018

A report dated 28 January 2018 by the Executive Director (Housing and Technical Resources) was submitted on:-

- ◆ contracts awarded by Housing and Technical Resources, valued in excess of £50,000, in the period 1 September 2017 to 28 January 2018
- ◆ contracts awarded by Procurement Services
- ◆ contacts awarded by Building Services

Details of the contracts and projects were provided in the appendices to the report.

The Committee decided: that the report be noted.

[Reference: Minutes of 4 October 2017 (Paragraph 14)]

16 Delegated Authority Report - Quarters 1 and 2 Update

A report dated 5 February 2018 by the Executive Director (Housing and Technical Resources) was submitted on the level of transactions processed by Property Services during the period 1 April to 30 September 2017.

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 transactions undertaken during the first 2 quarters, 1 April to 30 September 2017, were as follows:-

	Quarter 1	Quarter 2
Number of transactions	61	42
Total value of lease transactions	£548,406 per annum	£67,854 per annum
Total value of capital transactions	£906,368	£966,037

The Committee decided: that the transactions processed by delegated authority during the period 1 April to 30 September 2017 be noted.

[Reference: Minutes of 9 August 2017 (Paragraph 13)]

17 Urgent Business

There were no items of urgent business.