

Report

Report to: **Executive Committee (Special)**
Date of Meeting: **24 February 2021**
Report by: **Chief Executive**

Subject: **Recommendations Referred by Housing and Technical Resources Committee**

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval of the following recommendations referred to this Committee by the Housing and Technical Resources Committee of 17 February 2021:-
 - ◆ that the rent increase of 2.2% for Council houses, travelling persons' sites, lockups and garage sites and the revenue estimate proposals for the Housing Revenue Account Budget 2021/2022 be endorsed
 - ◆ that the final stage of rent harmonisation be endorsed
 - ◆ that, based on the proposed rent increase, the 2021/2022 Housing Capital Programme of £100.801 million, as detailed in Appendix 2 to the report, be endorsed

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the rent increase of 2.2% for Council houses, travelling persons' sites, lockups and garage sites and the revenue estimate proposals for the Housing Revenue Account Budget 2021/2022 be endorsed and referred to the Council for approval;
- (2) that the proposal to progress the final stage of the rent harmonisation process be endorsed and referred to the Council for approval; and
- (3) that, based on the rent increase of 2.2%, the 2021/2022 Housing Capital Programme, totalling £100.801 million, be endorsed and referred to the Council for approval.

3. Background

3.1. **Recommendations Referred by Housing and Technical Resources Committee of 17 February 2021 – Housing Revenue and Capital Account Budget 2021/2022 – Extract of Minute**

A joint report dated 19 January 2021 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 2021/2022 which had been prepared in line with the 30 year Business Plan

- ◆ the Housing Capital Programme totalling £100.801 million

In order to achieve the level of investment to reflect the priorities of increasing the supply of Council houses, maintaining the Council's housing stock to meet the requirements of the Scottish Housing Quality Standard (SHQS), the Energy Efficiency Standard for Social Housing (EESH) and the continuation of the legislative compliance works, including the new fire safety standard requirement by February 2022, a rent increase of 2.2% required to be applied to all Council houses, travelling persons' sites, garage sites and lockups.

The movement, as compared to the existing 2020/2021 revenue budget, was outlined in Appendix 1 to the report. The movements were summarised in the report.

During the consultation process for 2021/2022, tenants had expressed their support for a temporary move away from the existing approach of setting rents on a multi-year basis. To reflect the uncertainty of the impact of the ongoing pandemic, tenants had supported an increase of 2.2% as a 1 year strategy. The reduction in the planned level of rent increase required long-term investment priorities to be re-profiled, however, short-term priorities and current service levels would be maintained.

The proposals also took account of a requirement to increase the provision for bad debts to £6.922 million to meet anticipated arrears as a result of welfare reform.

In accordance with the Council's commitment to rent harmonisation, it was proposed that the majority of those tenants currently paying below the harmonised rent level, would pay up to an additional amount of £2.00 per week. As a result, all tenancies would be harmonised with the exception of 10 tenancies which would be considered on an individual basis as detailed in the report. On that basis, full harmonisation would be concluded by 2023/2024.

In line with the Housing Business Plan, efficiency savings of £0.324 million had been identified and the financial effect of those had been included in the HRA budget for 2021/2022. The proposals would be considered within the Council's overall 'Revenue Budget Strategy 2021/2022 and Savings Proposals'. The financial consequences of any of those proposals being rejected or having a delayed date for implementation would be a corresponding reduction in the planned capital programme. The identified efficiencies were as follows:-

Strategy and other support posts (4 FTE)	£0.178 million
Mediation Service (1FTE)	£0.022 million
Community Warden Service (8FTE)	£0.124 million

Details of the proposed Housing Capital Programme, totalling £100.801 million, were provided in Appendix 2 to the report and information on how the Programme would be funded was summarised in the report.

A wide-ranging consultation had been carried out with tenants and other stakeholders and details of the consultation process and associated outcomes were provided.

Officers responded to members' questions on various aspects of the report.

The Committee recommended to the Executive Committee:

- (1) that the rent increase of 2.2% for Council houses, travelling persons' sites, lockups and garage sites and the revenue estimate proposals for the Housing Revenue Account Budget 2021/2022, as detailed in Appendix 1 to the report be endorsed;
- (2) that the proposal to progress the final stage of the rent harmonisation process be endorsed; and
- (3) that, based on the proposed rent increase, the 2021/2022 Housing Capital Programme of £100.801 million, as detailed in Appendix 2 to the report, be endorsed.

[Reference: Minutes of South Lanarkshire Council of 26 February 2020 (Paragraph 6)]

- 3.2. A link to the report submitted to the Housing and Technical Resources Committee of 17 February 2021 is provided below for information

[Housing Revenue and Capital Account Budget 2021/2022](#)

4. Employee Implications

- 4.1. Any employee implications were raised in the original report to the Housing and Technical Resources Committee.

5. Financial Implications

- 5.1. All financial implications have been highlighted as part of the original report to the Housing and Technical Resources Committee.

6. Other Implications

- 6.1. Any implications have been highlighted as part of the original report to the Housing and Technical Resources Committee.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1. No equality impact assessment or consultation is required in terms of the proposals contained within this report.
- 7.2. Consultation with both tenants and members to agree the annual rent rises required to fund the Housing Business Plan had previously taken place in terms of the recommendations considered by the Housing and Technical Resources Committee.

Cleland Sneddon
Chief Executive

17 February 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Fair, open and sustainable
- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Housing and Technical Resources Committee, 26 February 2020

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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