

HOUSING AND TECHNICAL RESOURCES COMMITTEE

Minutes of meeting held via MS Teams on 25 November 2020

Chair:

Councillor Josh Wilson

Councillors Present:

Councillor Robert Brown, Councillor Janine Calikes, Councillor Stephanie Callaghan (Depute), Councillor Graeme Campbell, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Gerry Convery, Councillor Margaret Cooper, Councillor Poppy Corbett, Councillor Maureen Devlin, Councillor Allan Falconer, Councillor Grant Ferguson, Councillor Alastair Fulton, Councillor Geri Gray, Councillor George Greenshields, Councillor Eric Holford, Councillor Mark Horsham (*substitute for Councillor Archie Buchanan*), Councillor Martin Lennon, Councillor Eileen Logan, Councillor Colin McGavigan, Councillor Mo Razzaq, Councillor David Shearer, Councillor Collette Stevenson, Councillor Jared Wark

Councillors' Apologies:

Councillor Archie Buchanan, Councillor John Ross (ex officio)

Attending:

Finance and Corporate Resources

M M Cairns, Legal Services Manager; H Goodwin, Finance Manager (Resources); E Maxwell, Human Resources Business Partner; H Tennant, Administration Officer, L Wyllie, Administration Assistant

Housing and Technical Resources

D Lowe, Executive Director; A Finnan, Head of Housing 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 16 September 2020 were submitted for approval as a correct record.

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

3 Capital Budget Monitoring 2020/2021 – Housing and Technical Resources (excl HRA)

A joint report dated 4 November 2020 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 11 September 2020.

The budget of £12.773 million, approved by the Council in March 2020, had been updated to include the carry forward from 2019/2020. COVID-19 restrictions continued to impact delivery of the 2020/2021 Capital Programme and, on 23 September 2020, the Executive Committee approved a revised General Services Capital Programme based on deliverability which could be achieved in the current year. The capital programme (excl HRA) for Housing and Technical Resources had been revised to £10.665 million. In addition, the Executive Committee agreed £0.356 million of additional funding, as detailed in Appendix A to the report. The revised Resources' capital programme for 2020/2021 (excl HRA) amounted to £11.021 million.

Expenditure at 11 September 2020 was £0.056 million

The Committee decided: that the Housing and Technical Resources' capital programme (excl HRA) of £11.021 million and expenditure to 11 September 2020 of £0.336 million, be noted.

[Reference: Minutes of the Executive Committee of 23 September 2020 (Paragraph 4)]

4 Capital Budget Monitoring 2020/2021 – Housing and Technical Resources (HRA)

A joint report dated 21 October 2020 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 11 September 2020.

The Housing Capital Programme for 2020/2021, approved by the Council in February 2020, amounted to £97.303 million. COVID-19 restrictions continued to impact delivery of the 2020/2021 Capital Programme and, on 23 September 2020, the Executive Committee approved a revised General Services Capital Programme based on deliverability which could be achieved in the current year. The capital programme for Housing and Technical Resources had been revised to £48.172 million.

Expenditure to 11 September 2020 was £11.959 million.

The Committee decided: that Housing and Technical Resources' capital programme (HRA) of £48.172 million and expenditure to 11 September 2020 of £11.959 million be noted.

[Reference: Minutes of the Executive Committee of 4 November 2020 (Paragraph 3)]

5 Revenue Budget Monitoring 2020/2021 – Housing and Technical Resources (excl HRA)

A joint report dated 21 October 2020 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted advising of actual expenditure against the revenue budget for the period 1 April to 11 September 2020 for Housing and Technical Resources (excl HRA).

An overspend position of £0.471 million at 11 September 2020 against the phased budget was reported. This overspend was a result of additional expenditure incurred in relation to the COVID-19 response.

Continued non-variable costs required to be offset by income recovery. Further details on variances for individual services were provided in the appendices to the report.

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

The Committee decided: that an overspend of £0.471 million at 11 September 2020 on the Housing and Technical Resources' revenue budget (excl HRA), as detailed in Appendix A to the report, be noted.

[Reference: Minutes of the Executive Committee of 4 November 2020 (Paragraph 4)]

6 Revenue Budget Monitoring 2020/2021 – Housing and Technical Resources (HRA)

A joint report dated 21 October 2020 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted which compared actual expenditure for the period 1 April to 11 September 2020 against budgeted expenditure for the Housing and Technical Resources' revenue budget (HRA), together with a forecast for the year to 31 March 2021.

A breakeven position was reported at 11 September 2020 which reflected COVID-19 costs that had been managed within HRA budgets. The forecast for the budget to 31 March 2021 was a breakeven position, which reflected the management of the overall HRA finances by a drawdown of reserves in the current financial year.

The impact of COVID-19 on the budget continued to be monitored. A reduced demand for repairs and an increase in rental debt levels, which would require an increased bad debt provision, were reported. Annual rental income projections for the year were expected to be lower as a result of delayed completion of new build properties.

Property Services continued to incur non-variable costs which required to be offset by income recovery.

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; and
- (2) that the forecast to 31 March 2021 of a breakeven position be noted.

[Reference: Minutes of the Executive Committee of 4 November 2020 (Paragraph 4)]

7 Housing and Technical Resources – Workforce Monitoring – August and September 2020

A joint report dated 13 October 2020 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 August and September 2020:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ discipline, grievance and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ staffing watch as at 30 September 2020

The Committee decided: that the report be noted.

[Reference: Minutes of 23 September 2020 (Paragraph 11)]

8 Scottish Housing Regulator – Annual Assurance Statement

A report dated 31 October 2020 by the Executive Director (Housing and Technical Resources) was submitted on the submission of the Annual Assurance Statement for the Council to the Scottish Housing Regulator (SHR).

The SHR had published a revised Regulatory Framework in February 2019 which introduced the requirement for social landlords to submit an Annual Assurance Statement to confirm compliance with regulatory requirements and, if appropriate, identify any material breaches. The Annual Assurance Statement 2019/2020 was attached as Appendix 1 to the report.

A detailed summary of the key requirements for Assurance and how they had been addressed was attached as Appendix 2 to the report.

As a result of the COVID-19 pandemic, the SHR had issued revised guidance for landlords related to the publication of Annual Assurance Statements which recognised that the pandemic could have affected each landlord's ability to comply fully with all regulatory requirements. Landlords were required to acknowledge where this was the case.

The report highlighted 2 areas where the Council had been partially compliant:-

- ♦ several properties had gas service certificates which had become overdue due to the requirement for tenants to self-isolate or shield. The Council had revised its approach to take account of COVID-19 specific guidance issued by the HSE and the Gas Safety Register. An action plan had been put in place to ensure full compliance as soon as was feasible
- ♦ work had now commenced to address specific areas of non-compliance with fire safety guidance within the Gypsy/Traveller sites in South Lanarkshire

Officers responded to members' questions in relation to the Council's legal obligations in relation to gas safety certification.

The Committee decided: that the Council's Annual Assurance Statement 2020 be approved for signature and submitted to the Scottish Housing Regulator.

[Reference: Minutes of 4 September 2019 (Paragraph 16)]

9 South Lanarkshire Council's Strategic Housing Investment Plan 2021 to 2026

A report dated 25 November 2020 by the Executive Director (Housing and Technical Resources) was submitted on:-

- ♦ progress in delivering affordable housing through the Strategic Local Programme Agreement (SLPA) in 2019/2020
- ♦ the updated Strategic Housing Investment Plan (SHIP) 2021 to 2026

The SHIP identified strategic housing projects to help deliver affordable homes and informed the allocation of the affordable housing grant through the SLPA. The SHIP and SLPA were reviewed and updated annually to reflect changes to the five-year rolling SHIP to include progress made to deliver affordable housing in 2019/2020, and planned progress in the current year 2020/2021.

During 2019/2020, 284 additional affordable homes for rent had been delivered. A summary of completions by the Council and Registered Social Landlords (RSL) partners during 2019/2020 was provided in Appendix 1 to the report.

The impact of COVID-19 had meant that some programmes, originally expected to complete in 2020/2021, were now delayed. A summary of the 889 additional homes either under construction, completed or acquired through the Home+ Programme, was contained in Appendix 2 to the report. Information provided within the report in relation to completion dates for sites under construction was accurate, however, this had not been reflected in Appendix 2, table 2.

In addition, 60 homes had been purchased through the Open Market Purchase Scheme and a further 60 were planned for acquisition during 2020/2021.

The updated SHIP and associated table of priority sites was attached as Appendix 3 to the report. This highlighted that, during 2021 to 2026, there was potential for 3,014 additional homes to be included in the housing programmes. The draft SHIP and further information on priority sites for inclusion in the housing programme was contained within Appendix 3 to the report. Table 1, annexed to the SHIP, set out the priorities for grant funding.

The SHIP 2021 to 2026 would be submitted to the Scottish Government to inform the allocation of the affordable housing grant funding through the SLPA.

The cost to deliver the housing programme would be met through additional borrowing supplemented by Scottish Government grant funding. The impact of the additional borrowing and all additional costs had been reviewed in line with the long-term business plan and would be submitted for approval as part of the Annual Housing Revenue and Capital Account Budget.

The Affordable Housing Supply Programme would continue to consider opportunities to extend the current programme to meet identified local housing need and demand.

The Committee decided:

- (1) that progress made in increasing the supply of affordable housing through the Strategic Housing Investment Plan and Strategic Local Programme Agreement be noted; and
- (2) that the content of the Strategic Housing Investment Plan 2021 to 2026 be approved.

[Reference: Minutes of 13 November 2019 (Paragraph 11)]

10 Annual Report on the Charter (ARC) 2019/2020

A report dated 30 October 2020 by the Executive Director (Housing and Technical Resources) was submitted to provide an update on:-

- ♦ the Scottish Social Housing Charter and the requirement to produce an Annual Report on the Charter (ARC) for 2019/2020
- ♦ arrangements to monitor and report on Charter progress throughout 2020/2021

The Charter contained 32 measures of performance which reflected a mixture of qualitative (survey-based information) as well as a range of efficiency and effectiveness measures.

To comply with the requirement of the Scottish Housing Regulator (SHR), and the revised timescales in light of the COVID-19 pandemic, the Resource had submitted the 2019/2020 performance information to the Regulator on 31 July 2020.

The Charter report had been consistent with those of previous years and a summary, attached as Appendix 1 to the report, provided further details on each indicator, and a comparison against the Scottish average for all social landlords, and that of the other Scottish local authority landlords. Of the 12 reported indicators, 6 had improved, 4 remained the same and 2 declined.

The report provided further information on each performance indicator. The Resource Plan (2020/2021) would continue to be monitored and reported as part of the 6-monthly Resource Plan update to the Committee.

Officers responded to members' questions in relation to the planning process for new Council house building.

The Committee decided:

- (1) that the reported performance and contextual information for the Scottish Social Housing Charter, and comparisons with other landlords, as detailed at Appendix 1, 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 13 November 2019 (Paragraph 13)]

11 Housing Services Customer Involvement Strategy 2018 to 2022 Annual Review 2019/2020

A report dated 25 November 2020 by the Executive Director (Housing and Technical Resources) was submitted on the second annual review of the Customer Involvement Strategy 2018 to 2022.

The Housing Services Customer Involvement Strategy 2018 to 2022 had been approved by the Housing and Technical Resources Committee on 23 May 2018.

The second Annual Review of the Strategy and Action Plan was attached as Appendix 1 to the report and summarised progress made between 1 April 2019 and 31 March 2020. Progress had been made in 18 of the 23 objectives across its 4 strategic outcomes. The report outlined the key achievements of 2019/2020 and the priority areas to be continued in 2020/2021.

The Committee decided: that the Customer Involvement Strategy 2018 to 2022 Annual Review 2019/2020, as detailed in Appendix 1 to the report, be noted.

[Reference: Minutes of 23 May 2018 (Paragraph 9)]

12 Update of the Housing and Technical Resources' Risk Register and Risk Control Plan

A report dated 22 October 2020 by the Executive Director (Housing and Technical Resources) was submitted providing an update on the Housing and Technical Resources' Risk Register and Risk Control actions.

Housing and Technical Resources had followed Council guidance in developing, monitoring and updating its Risk Control Register on an ongoing basis. The Register had been developed to ensure that the Resource:-

- ◆ was fully aware of the main risks
- ◆ was able to prioritise those risks
- ◆ had controls in place to eliminate or minimise the impact of the risk

The risks were scored in accordance with the Council's scoring mechanism which scored risks based on likelihood and impact of risk. This resulted in risks being scored between 1 to 25 (low to very high). Risks were scored on their inherent risk (risk if nothing was done) and their residual risk (risk after applying controls). The Risk Register for the Resource had been developed and was monitored on an ongoing basis to add new risks and to review the score of existing risks.

The Register was maintained within Internal Audit and updated by designated officers within Housing and Technical Resources. Information on the revised scoring matrix and definitions for likelihood and impact was attached as Appendix 1 to the report.

Details of all risks which had scored very high and high were provided in Appendix 2 to the report. Risks evaluated as being medium or low risk would be monitored to ensure that they continued to be adequately managed. A further risk related to COVID-19 had been added to the Resource Risk Register.

The Committee decided:

- (1) that the systems and controls in place to monitor risks within Housing and Technical Resources be noted; and
- (2) that it be noted that any outstanding Risk Control Actions identified during the year would be progressed by relevant officers.

[Reference: Minutes of 13 November 2019 (Paragraph 16)]

13 Council House Open Market Purchase – 12 Bullionslaw Drive, Cambuslang

A report dated 22 October 2020 by the Executive Director (Housing and Technical Resources) was submitted advising on action taken, in terms of Standing Order No 36(c), in view of the timescales involved, by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, to approve the purchase of a property on the open market exceeding the authorised £100,000 limit, to increase the supply of Council housing stock and to contribute to key strategic priorities and outcomes identified in the Local Housing Strategy.

The Scheme of Delegation placed a financial limit for acquisitions, under the Council House Open Market Purchase Scheme, of £100,000.

A 4-bedroom upper cottage flat at 12 Bullionslaw Drive in the Eastfield area of Cambuslang had become available on the open market with an asking price in excess of the authorised limit. As there was a lack of stock of this size, authority for the purchase of the property had been required quickly, to meet timescales for the offer process, and to enable the Council to negotiate the acquisition.

Based on assessment of market valuations, the Estates Section advised that a reasonable threshold for the purchase of this property would be in the region of £125,000. As with every purchase, the Council's surveyors sought to secure best value.

On conclusion of the acquisition, an application would be made to the Scottish Government to recover grant subsidy towards the purchase of the property through the Affordable Housing Supply Funding Grant.

The Committee decided:

- (1) that the action taken, in terms of Standing Order No 36(c), by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, to authorise the purchase of 12 Bullionslaw Drive, Cambuslang, to increase the Council's housing stock, be noted; 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 purchase of 12 Bullionslaw Drive, Cambuslang 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) and Minutes of the Executive Committee of 26 August 2015 (Paragraph 12)]

14 Acquisition of Houses at Shields Road, East Kilbride - Section 75 Planning Reference EK/14/0268

A report dated 29 October 2020 by the Executive Director (Housing and Technical Resources) was submitted advising on action taken, in terms of Standing Order No 36 (c), in view of the timescales involved, to acquire 67 affordable homes at Shields Road, East Kilbride from Taylor Wimpey UK Limited for inclusion in the Council's housing stock in fulfilment of the Planning obligations associated with the private residential development of the site.

The site at Shields Road, East Kilbride had been identified within the Council's Strategic Housing Investment Plan as a priority site in delivering the Council's target of 1,000 additional homes by 2021.

The application for the development of the site at Shields Road, East Kilbride had been approved by the Chief Executive under delegated powers due to the COVID-19 pandemic. Approval had been granted for the erection of 486 dwelling units to Taylor Wimpey. This had now been consented up to 506 units following a remix of the development and included an obligation for an on-site provision of up to 62 affordable homes. Using the flexibility afforded within the consent, this had been increased to 67 homes.

The Council had entered into discussions with Taylor Wimpey UK Limited in respect of their planning obligation to provide new affordable homes via a turnkey arrangement. The acquisition of 67 completed new homes by Taylor Wimpey UK Limited, for a total price not in excess of £8.97 million, which included the cost of land, had been assessed by the Council's Technical and Commercial Team as representing value for money, with the Council paying the full amount on completion of each house. Acquisition would be funded from the Housing Revenue Account Capital Programme, as approved by Council on 26 February 2020.

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

Grant subsidy towards the purchase of each unit would be provided by the Scottish Government through the Affordable Housing Supply Funding Grant.

The Committee decided:

- (1) that the action taken, in terms of Standing Order No 36(c), by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, in relation to the acquisition of 67 completed affordable homes from Taylor Wimpey UK Limited for a total price not in excess of £8.97 million, which included the cost of land, to fulfil the Planning obligations associated with the residential development of the site, be noted; and
- (2) that authority be granted to the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services to conclude all matters in relation to the acquisition of 67 completed homes, and to enter into the necessary legal agreements on terms which were in the best interests of the Council.

15 Delegated Authority Report – Update

A report dated 28 October 2020 by the Executive Director (Housing and Technical Resources) was submitted on transactions processed by Property Services during Quarter 1 and Quarter 2 of 2020/2021.

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 Quarter 1 and Quarter 2, as detailed in Appendix 1 to the report, were as follows:-

Quarter 1:

| | |
|-------------------------------------|-------------------|
| Number of transactions | 25 |
| Total value of lease transactions | £73,407 per annum |
| Total value of capital transactions | £90,936 |

Quarter 2:

| | |
|-------------------------------------|----------------------|
| Number of transactions | 35 |
| Total value of lease transactions | £30,322.50 per annum |
| Total value of capital transactions | £954,703 |

The Committee decided: that the report be noted.

[Reference: Minutes of 16 September 2020 (Paragraph 16)]

16 Urgent Business

There were no items of urgent business.