

The Highland Council

Minutes of Meeting of the **Housing and Property Committee** held Remotely on Wednesday 15 December 2021 at 10.30am.

Present:

Miss J Barclay	Mr A Henderson (substitute)
Mr R Bremner	Mr A Jarvie
Miss J Campbell	Mrs B McAllister
Mr M Finlayson	Mr D Mackay
Mr C Fraser	Mrs A MacLean
Mr L Fraser	Ms J Tilt
Mr A Graham	

Non-Members also present:

Mrs M Davidson	Mr G MacKenzie
Mr B Lobban	Mr D Macpherson
Mr D Louden	Mr T Robertson

Officials in Attendance:

Mr M Rodgers, Executive Chief Officer Housing and Property
Mr D Goldie, Head of Housing and Building Maintenance, Housing and Property
Mr A Maguire, Head of Development and Regeneration, Infrastructure, Environment & Economy
Mr B Cameron, Housing Policy and Investment Manager, Housing and Property
Mr J McHardy, Housing Development Manager, Infrastructure, Environment and Economy
Mr M Mitchell, Service Finance Manager, Resources and Finance
Mrs L Dunn, Principal Administrator, Performance and Governance
Ms A Macrae, Committee Administrator, Performance and Governance
Mrs O Bayon, Committee Officer, Performance and Governance

**An asterisk in the margin denotes a recommendation to the Council.
All decisions with no marking in the margin are delegated to Committee.**

Mr L Fraser in the Chair

BUSINESS

1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mr B Allan, Mrs G Campbell-Sinclair, Mr C MacLeod, Mrs F Robertson, Ms E Roddick and Mr P Saggars.

2. Declarations of Interest Foillseachaidhean Com-pàirt

The Committee **NOTED** the following declarations of interest:-

Item 6: Mr C Fraser (non-financial)

Declarations of Interest: Mr R Bremner declared a non-financial interest relating to all items on the agenda as a Board Member of Albyn Housing Society Ltd but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

Declarations of Interest: Mr L Fraser declared a non-financial interest relating to all items on the agenda on the grounds he undertook work for the Housing Service in Nairn but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion on the basis this work was so remote and minor it would not impinge on his work on the Committee.

**3. Good News
Naidheachdan Matha**

The Committee was advised that the Council's Housing and Development team collected the top prize in the Housing and Regeneration Category at the SURF (Scottish Regeneration Forum) awards earlier this month. The award was for the development of six houses that were a "steppingstone" between living entirely independently in the community and the Telford Centre Care Home in Fort Augustus. This involved an innovative design for flexible, adapted properties to support residents with increasing needs to stay at home and live independently for longer. The Council staff worked closely with the NHS and with the local Community Company, who kindly provided some of the land needed to enlarge the Care Home garden sufficiently for the six units that had been built.

The Committee congratulated the Housing and Development teams for their success and **NOTED** the good news.

**4. Housing Revenue Account (HRA) and Non-HRA Budget Monitoring Statement to 30 September 2021
Aithris Sgrùdaidh Buidseat Cunntas Teachd-a-steach Taigheadais agus Neo-thaigheadais gu 30 an t-Sultainn**

There had been circulated Report No HP/20/21 by the Executive Chief Officer Housing and Property.

During discussion, the following main points were raised:

- the potential for budget figures on loan charges and central support costs to be provided during the course of the year rather than being reported at the year end to provide Members with better information on spend;
- an assurance was sought and provided that in relation to the figures for staff costs and travel, the sheltered housing services had continued to be delivered within the constraints of the emergency Covid guidelines around face to face contacts;
- further information was sought and provided on the projected overspend on homelessness due to repairs and maintenance expenditure associated with an increase in the number of properties used as temporary accommodation;

- an explanation was sought and provided on the reasons for the increased number of properties used as ‘decants’ over the course of the year, and on how any additional costs were funded;
- in relation to delays with re-letting of empty garages and garage sites identified for environmental improvements, it was confirmed that an update would be provided to the next round of local committees. An update would also be provided at an area level on the volumes, performance indicators and timescales for carrying out adaptations;
- clarification was sought and provided on the slippage in the rental stream associated with new build programme due to the pandemic and that Covid related funding had not been available to reclaim any loss of income on the HRA;
- the potential for future reports to include an overview at strategic level in relation to areas of service delegated to local committees, for example repairs and maintenance. It was confirmed the presentation of future reports would be reviewed in consultation with Members to ensure that it contained the right balance of strategic/area information;
- concern at the impact on HRA Service delivery as a result of reduced staff costs. It was explained that vacancies continued to be filled when they arose and that further discussions could be held with Members locally on recruitment and new ways of working if required;
- confirmation was sought and provided that a response would be provided directly to Mr D Mackay on a specific refurbishment project in Ormlie, Thurso; and
- an explanation was sought and provided on the process for reporting on repairs and maintenance in terms of using the earmarked balances to meet any overspends on the budget.

Thereafter, the Committee:-

- APPROVED** the budget position on the Housing Revenue Account and non-Housing Revenue Account 2021/22 for the period to 30 September 2021;
- NOTED** that updates would be provided to the next round of Area Committees on delays with re-letting of empty garages and garage sites identified for environmental improvements and also on adaptations; and
- NOTED** that the presentation of future reports would be reviewed to ensure that it contained the right balance of strategic/area information.

5. Housing Revenue Account (HRA) Capital Monitoring Report to 30 September 2021
Aithisg Sgrùdaidh Cunntas Teachd-a-steach Taigheadais gu 30 an t-Sultainn

There had been circulated Report No HP/21/21 by the Executive Chief Officer Housing and Property.

During discussion, the following main points were raised:

- the plans to recover the slippage on the HRA Capital Programme and anticipated timescales taking into account the ongoing challenges with Covid-19 and Omicron variant and the potential for further restrictions;

- related to the above, a session be arranged for Members to consider in more detail the challenges faced by the construction industry going forward in terms of labour and materials shortages and to consider mitigating actions to deliver projects;
- concern that budgets had been reprofiled to reflect actual spend and the need for details of the original budget be provided in reports to allow Members to monitor on an ongoing basis where over/underspends were occurring;
- an explanation was sought and provided that Scottish Government had announced new grant levels for new builds, details of which were provided. The effects of Covid-19 on the new build programme continued to be closely monitored on an ongoing basis and while the spend for Quarter 2 in the report appeared low, there had been significant increase in spend in September 2021, details of which could be reported to Members separately; and
- in relation to the slippage on heating/ energy efficiency and external fabric budget lines and concern about rising energy costs and increasing fuel poverty, an update was sought and provided on the steps being taken to prioritise and accelerate heating replacements where this was possible due to the challenges presented by the pandemic.

Thereafter, the Committee **APPROVED** the budget position on the Housing Revenue Account Capital Programme 2021/22 for the period to 30 September 2021.

6. Property & Facilities Management Services Revenue Monitoring Report to 30 September 2021
Aithisg Sgrùdaid Teachd-a-steach Sheirbheisean Rianachd Cuid-seilbh & Ghoireasan gu an t-Sultainn

Declarations of Interest: Mr C Fraser declared a non-financial interest in this item as a trustee of Cromarty Courthouse but, having applied the test outlined in Paragraphs 5.2 and 5.3 of the Councillors' Code of Conduct, concluded that his interest did not preclude him from taking part in the discussion.

There had been circulated Report No HP/22/21 by the Executive Chief Officer Housing and Property.

The Executive Chief Officer Housing & Property advised that the topic of listed buildings had been the subject of questions by Mr C Fraser to the Council on 28 October 2021, specific details of which he provided. This included whether a comprehensive report could be submitted to the Committee to detail what could be done with these types of buildings. Members were being asked to consider this matter and to provide officers with a steer on the way forward.

In discussion, it was suggested that for future planning it would be appropriate that Listed Buildings be a standing item on future agendas until further notice. It was hoped the Executive Chief Officer Housing & Property would be given sufficient financial and staffing resources to accomplish this onerous task. The report should include a number of issues including how listed buildings were heated and their associated running costs. It should also compare the performance of the heating system in each unique building and consider how

appropriate these systems were for that building. On the conclusion of this report, there would be a need to consider the significant cost to the Council, who had legal obligations as owner of these buildings, and to identify all potential sources of funding such as grant funding.

Thereafter, reference was made to the importance of identifying a single point with an appropriate remit to be responsible for the maintenance of listed buildings, given the lack of clarity on this matter in the past. It was confirmed that if a listed building was owned by the Council then the corporate landlord was responsible for investment, repair and maintenance. There was currently no discrete revenue or capital budget line for listed buildings, and they were included amongst all the other assets which the Council had to maintain.

Thereafter, the Executive Chief Officer Housing & Property confirmed he would have discussions with Mr C Fraser offline as to the content and shape of future reports.

During further discussion, the following main points were raised:

- details be provided on the number of vacancies within the Service, concern being expressed at pressure this was placing on existing staff and the impact on internal and external income generation. It was confirmed an update on vacancies would be provided directly to Mrs A MacLean;
- the importance of capturing all the additional costs and future pressures associated with Covid-19 and the ability to reclaim monies back from the UK and Scottish Government and other sources;
- whether the extension of free school meal provision would impact on income generation. It was explained that some of the impacts would be offset by the Scottish Government, the details of which were being considered and any implications would be reported back to a future Committee;
- the Council's statutory responsibility for the maintenance and repair of Common Good Fund assets where the Fund could not afford to meet the cost of their upkeep. It was confirmed that further clarification would be sought on this matter;
- a summary was sought and provided on the challenges and mitigating actions being taken in response to the key areas of overspend on the budget set out in section 1.2 the report; and
- related to the above, the need to consider all opportunities to increase income generation, for example taking a more commercial approach to catering and cleaning services.

Thereafter, the Committee **NOTED**:

- i net spend at the end of Quarter 2 totalled £37.740m;
- ii based on the best available information to date, a service budget gap of £1.553m to the end of 2021/22 was presently forecast;
- iii mitigation measures had identified £0.380m of Non-Domestic Rates relief which once applied to the budget would improve the final outturn position;
- iv almost every area of service relied on income to pay for services, and this continued to be disrupted this year because of ongoing Covid impacts;
- v the budget gap might change positively or negatively depending on the application of expenditure and recruitment controls, adjusting services to

meet previously agreed budget savings; in-year income recovery, identifying new income and procurement opportunities, drawing down any further Government grant support and any new Covid related recovery costs; and

- vi further adjustments might be made in future quarterly reporting to reflect the updated apportionment of costs and savings across the new Service structure.

The Committee also **AGREED** that Listed Buildings be a standing item on future agendas.

7. **Housing Revenue Account (HRA) Capital Plan 2022-2027** **Plana Calpa Cunntas Teachd-a-steach Taigheadais 2022-2027**

There had been circulated Report No HP/23/21 by the Executive Chief Officer Housing and Property.

During discussion, the following main points were raised:

- clarification was sought and provided on the approach to adaptations in upstairs toilets/bathrooms and that works were dependent on any technical challenges and the individual circumstances of the tenant;
- the additional costs of bringing some listed buildings up to the Scottish Government's energy efficiency standards, the need for energy performance certificates renewals on some of these properties, and to ensure heating systems were appropriate for the building and the tenant. It was acknowledged that new energy performance certificates would be required for some buildings. Further discussions maybe required with the Scottish Government where the energy efficiency standards could not be achieved due to the nature of the listed building;
- confirmation was sought and provided that Changeworks had been asked to compare both the performance levels of heating systems and the impact on tenant fuel bills and that their overall analysis would be reviewed by officers recognising the importance of mitigating the effects of fuel poverty. There would also be wider discussions on heating options and issues of affordability balanced against the Council's climate change responsibilities and reports on this matter would be brought forward to future meetings of the Committee;
- information was sought and provided on the engagement undertaken with tenants on undertaking adaptations to allow disabled and elderly tenants to remain in their current tenancy and with a view to minimising disruption; and
- details were sought and provided on the extensive rent consultation undertaken with tenants with a focus on capital investment the results of which would be reported to the Committee in January 2022 as part of the HRA Revenue Estimates 2022/23.

Thereafter, the Committee:

- i. **APPROVED** the overall HRA Mainstream Capital Budget of £88.599m for 2022-2027;
- ii. **APPROVED** the investment priorities for both the Mainstream and New Build programmes as set out in section 5 of the report;

- iii. **APPROVED** the disaggregation of resources to Local Committee level set out at section 6 of the report; and
- iv. **AGREED** that discussion be held with Local Members on the specific projects and local priorities with Area Committees agreeing their capital programme for 2022/23.

8. Property Capital Monitoring Statement and Progress Update
Aithris Sgrùdaidh Calpa Cuid-seilbhe agus Cunntas às Ùr air Adhartas

There had been circulated Report No HP/24/21 by the Executive Chief Officer Housing and Property.

During discussion, the following main points were raised:

- clarification was sought and provided regarding the capital programme summary at Appendix 1 to the report which contained revised budget figures that only reflected the amount spent rather than identifying any under/overspend. Therefore, a revised format was requested to include current performance against the original set budgets and confirmation was provided that a previous appendix format which indicated details such as original budget, revised budget, spend to date, progress, etc would be reintroduced;
- information was requested and provided regarding the re-roofing project at Dalneigh Primary School and the timeline for completion; and
- regarding Education projects with a Red status (for which there was an underspend of £12.707M) it was queried, and an explanation was provided, if these delays were due to either a lack of officer capacity or contractor's capacity. Confirmation was also provided that an update on the Nursery Annex at Dingwall Primary School would be provided to Mrs A MacLean.

Thereafter, the Committee **NOTED** the:

- financial position for the 2021/22 financial year as of 30 September 2021, and the estimated year-end forecast; and
- progress made with the Education and Strategic Asset Management projects in the Council's capital programme.

9. Strategic Housing Investment Plan 2022-2027
Plana Tasgaidh Taigheadais Ro-innleachdail 2022-2027

There had been circulated Report No HP/25/21 by the Executive Chief Officer Housing and Property.

During discussion, the following main points were raised:

- in terms of the Strategic Priorities, concern was expressed that there was not sufficient Later Life adapted properties across the Highlands and that the minimum provision of 10% of affordable houses built to a "wheelchair liveable standard" would not be sufficient to meet the rising demographic across Highlands of people aged between 45–64. It was requested that future committee reports should contain actions to address adapted housing requirements and ensure sufficient provision of lifelong homes;

- an explanation was sought and provided regarding the reduction of Scottish Government grant in 2022/23 compared with 2021/22;
- the success of The Highland Housing Development Hub was recognised, in this regard it was queried if this model was replicated by other local authorities;
- although it was recognised that some sites were not viable to progress, concern was expressed that the housing pressures in these areas would remain;
- it was queried if Highland Council liaised with NHS Highland, community planning partners, and other third sector organisations to source land available for further developments;
- the commitment in respect of developments in Tain and Easter Ross was welcome and a request was made for further discussion with officers regarding additional opportunities for social housing on Council land in this area;
- it was confirmed that the Scottish Government had not requested a return of any unspent grant funding;
- further information was provided on the new housing development at Spean Bridge which had reported drainage problems; and
- an update was requested and would be provided to Mr A Henderson outwith the meeting on the Eigg investment project.

Thereafter, the Committee:

- **APPROVED** the Strategic Housing Investment Plan attached as Appendix 1 to the report, for submission to the Scottish Government in draft form pending consideration by Area Committees; and
- **AGREED** the indicative planned investment programme to 2027 contained in Appendix 2 to the report, subject to further discussion by Area Committees.

10. Housing Performance Report Aithisg Coileanaidh Taigheadais

There had been circulated Report No HP/26/21 by the Executive Chief Officer Housing and Property.

During discussion, the following main points were raised:

- Housing officers were thanked for their continued hard work in engaging and supporting vulnerable tenants throughout the COVID pandemic;
- Members acknowledged that rent arrears had gone up in the last quarter, adding that this might be a result of financial pressures due to increased energy prices which would continue to rise. In view of this, ongoing support was required for tenants in fuel poverty;
- the number of homelessness presentations in the last quarter were at their highest number. In this regard, cooperation levels between the community planning partners and the Rapid Rehousing Transition Plan were queried;
- the number of homelessness presentations was increasing but the number of people in temporary accommodation was reducing and further explanation was sought, and provided, on how this and the housing waiting list was being managed; and

- the £297K Scottish Government contribution to establish a Tenant Grant Fund in Highland was welcomed.

Thereafter, the Committee **NOTED** the information provided on housing performance for the period 1 April 2021 to 30 September 2021.

Prior to closing the meeting, the Committee expressed their appreciation to Mr Mitchell for all his excellent work over the years and wished him well in his retirement.

The meeting was closed at 1.30pm.