

## The Highland Council

Minutes of Meeting of the **Housing and Property Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on **Thursday 26 January 2023** at 10.30 am.

### Present:

Mr B Boyd	Mr R Mackintosh
Mr R Bremer	Ms A MacLean
Mrs G Campbell-Sinclair	Mrs B McAllister
Mr L Fraser	Ms J McEwan
Mr A Graham	Mr C Munro
Mr S Kennedy (substitute)	Ms Morven Reid (substitute)
Mrs I Mackenzie	Mr K Rosie

### Non-Members also present:

Mr M Baird	Mr G McKenzie
Mr C Birt	Ms K McLean
Ms S Fanet	Mr T McLennan
Mr R Gale	Mr D Macpherson
Mr K Gowans	Mr J McGillivray
Mr A Jarvie	Mr P Oldham
Mrs B Jarvie	Mr D Millar
Mr P Logue	

### Also in Attendance:

Mr A Dick, Tenant Representative  
Ms L Richardson, Tenant Representative

### 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 F MacDonald, Head of Property and Facilities Management, Housing and Property  
Mr B Cameron, Service Lead - Policy and Performance, Housing and Property  
Mr R Campbell, Estates Strategy Manager, Housing and Property  
Mrs L Dunn, Joint Democratic Services Manager, Performance and Governance  
Mrs O Marsh, 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.**

**Mrs G Campbell-Sinclair in the Chair**

## BUSINESS

### 1. Apologies for Absence Leisgeulan

Apologies for absence were intimated on behalf of Mrs S Atkin, Mr I Brown, Mrs M Paterson, Mr A Rhind and Mr A Sinclair.

**2. Declarations of Interest  
Foillseachaidhean Com-pàirt**

The Committee **NOTED** the following Transparency Statement:-

Item 6: Mr L Fraser

**3. Housing Revenue Account Estimates 2023/24  
Tuairmsean Teachd-a-steach HRA 2023/24**

There is circulated Report No HP/**01**/23 by the Executive Chief Officer Housing and Property.

The Chair and several other Members spoke in favour of a 4% rent increase, citing the consultation with Council tenants on a 3%, 5% or 7% rise, which had returned a preference for a 3% rise. The importance of taking tenants' views into consideration was emphasised and, with 5.25% being the 'flat cash' budget on repairs and maintenance, it was considered that a 4% rise represented an acceptable compromise between ensuring adequate income to undertake statutory repairs and maintenance, whilst being sympathetic, during the coming financial year, to the cost of living crisis and energy bill increases being faced by residents.

Other Members spoke in favour of a higher rise in rent for the following reasons:

- even a 7% rise did not come close to the current rate of inflation;
- a 5.25% rise was required to maintain current service levels, and anything less than that would require the use of reserves and/or the cessation of non-essential repairs and maintenance. This would lead to a backlog of repairs that would be difficult to manage in future;
- it was a false economy and ultimately detrimental to tenants to only raise rents by 4%, as this would result in a shortfall of £708k for repairs and maintenance;
- it was pointed out that a 7% rise would result in an average rent increase of only £5 per week; and
- it was unfair to expect people with health conditions and disabilities to continue to endure poor conditions due to lack of investment in their homes.

The tenant representative indicated a preference for a 7% rent increase, citing the importance of investing in insulation and other improvements to lower fuel bills and future-proof housing against issues such as mould. It was suggested that any rent increase might be offset by a reduction in fuel bills through investment in energy efficiency initiatives.

Other issues raised during discussion included the following:

- information was sought and provided on progress with the backlog of maintenance that had resulted from Covid lockdowns;
- information was sought and provided on the types of maintenance and repairs that would have to be reduced or ceased if the rent increase was lower than 5.25%;
- the average rent increase across other Scottish Local Authorities was around 6.1%;

- the challenges in setting a fair and balanced level of rent increase were acknowledged by all and those in favour of a 4% increase pointed out that this was for one year only, due to the current economic challenges facing tenants;
- concern was expressed at the level of voids in the housing stock, with particular reference to Caithness, and it was hoped a solution could be found to make better use of the housing stock, including selling properties that were not being used;
- increases in garage rents varied across the Highlands and this was because the setting of garage rents was delegated to Area Committees;
- a brief summary was provided of external funding being sought to undertake energy efficiency initiatives and other improvements to the housing stock and to tackle climate change; and
- assurance was sought and provided that future consideration was being given to the strategic housing investment programme, including the long term implications of the borrowing requirements. This was due to be considered at the next meeting of the Committee.

Thereafter, the Committee :-

- NOTED** that section 8 and Appendix 1 of the report set out a range of rent increase options and their impact on the Housing Revenue Account budget for 2023/24. In order to respond to Member concerns around the cost of living crisis and take on board the feedback received through tenant consultation, a 4% rent increase was possible, although this would involve a reduction of £0.708m in the housing repairs and maintenance budget, and would impact negatively on the Council's ability to fund ongoing repairs and maintenance and capacity for future capital investment;
- AGREED** a 4% increase for council house rents for 2023/24 resulting in an increase in the average weekly Council house rent from £79.97 to £83.17 (£3.20 per week);
- AGREED** that the percentage increase (4%) be applied to all residential HRA rents and service charges, to Gypsy/Traveller site pitches and to non-HRA rents for leased properties; and
- AGREED** that a review of the current HRA Capital Plan was undertaken this year to assess affordability and the level of future rent increases required to fund future investment.

**4. Housing Revenue Account (HRA) and Non-HRA Revenue Monitoring Statement to 31 December 2022  
Aithris Sgrùdaidh Buidseat Cunntas Teachd-a-steach Taigheadais agus Neo-thaigheadais gu 31 An Dubhlachd 2022**

There is circulated Report No HP/02/23 by the Executive Chief Officer Housing and Property.

During discussion, Members raised the following main points:-

- it was queried whether the need for a 'reason to reside' was impacting on the number of people presenting as homeless, and assurance was sought on how the Council was dealing with a range of homelessness issues, such as landlords selling properties and ending leases, and the provision of homeless

accommodation in council houses that required repair and / or furnishing. It was acknowledged that homelessness issues varied across the Highlands;

- attention was drawn to the level of rental voids, particularly in Caithness, and this was being discussed with the Housing service outwith the meeting;
- in response to a query on the reported overspend on repairs and whether this would create a backlog going into 2023/24, it was explained that a decision had been made in November 2022 to stop undertaking non-essential repairs, and this would be reflected in the year-end budget outturn. The position on repairs was being closely monitored and reviewed, and any overspend would have to be met from Housing Revenue Account reserves, with further controls put into place for 2023/24. The external cost pressures the Council was facing were summarised and it was suggested that increasing the Council's internal team might be more economical than relying on external contractors;
- the use of the term 'environmental' was queried and it was explained that in the context of repairs this generally referred to estate-related issues, such as fencing or pathways, and not to the wider environment or climate change; and
- as a point of order, the report recommended approval of the budget position, when it should be for noting.

The Committee **NOTED** the budget position on the Housing Revenue Account and non-Housing Revenue Account 2022/23 for the period to 31 December 2022.

**5. Housing Revenue Account (HRA) Capital Monitoring Report to 31 December 2022**  
**Aithisg Sgrùdaidh Calpa Cunntas Teachd-a-steach Taigheadais gu 31 An Dubhlachd 2022**

There is circulated Report No HP/03/23 by the Executive Chief Officer Housing and Property.

During discussion, Members raised the following main points:-

- it was confirmed that capital projects, identified as slippage, would be carried forward into the 2023/24 programme and any funding implications would be carried forward with them. Members would have the opportunity to review the year-end report for comments and approval;
- further information was sought and provided regarding the process to deal with capital installation works that had not been undertaken as the tenant had opted out and how this impacted the Council's commitments such as improving energy efficiencies in properties or meeting climate change targets;
- the 280 new Council house builds was welcomed and further information was sought in regard to this including their geographical location, costs involved, and current progress status;
- clarification was sought and provided regarding the project description 'healthy, safe and secure'. The Service Lead - Policy and Performance also advised that a brief description of the project headings as set out in Appendix 1 to the report could be included in future monitoring reports; and
- it was highlighted that there was provision within the Capital Programme for an element of ward spend for environmental improvement works and Members might want to consider how this could be best utilised at an area level. In Caithness, tenants had been consulted on how the budget should be used with their preference being for door and window improvements.

Thereafter, the Committee:-

- i. **NOTED** the budget position on the Housing Revenue Account Capital Programme Monitoring Report 2022/23 for the period to 31 December 2022
- ii. **AGREED** that details of the 280 new Council house builds including their geographical location, costs involved, and current progress status be circulated to Members; and
- iii. **NOTED** that additional detail relating to project headings would be provided in future reports.

**6. Property & Facilities Management Services  
Revenue Budget Monitoring Statement Q3 to 31 December 2022 Aithisg  
Sgrùdaidh Teachd-a-steach Sheirbheisean Rianachd Cuid-seilbh &  
Ghoireasan gu 31 An Dubhlachd 2022**

**Transparency Statement: Mr L Fraser made a Transparency Statement in respect of this item on the agenda in that he had a connection to this item by reason of he provided minor maintenance work in the Nairn area. However, having applied the objective test he did not consider that he had an interest to declare. This is because the work only related to the Nairn area and is a minor allocation of the overall Nairn Area budget.**

There is circulated Report No HP/04/23 by the Executive Chief Officer Housing and Property.

During discussion, Members raised the following main points:-

- appreciation was conveyed to officers for the informative report;
- clarification was sought and provided regarding the high cost of materials mentioned in the report such as timber and the likelihood of reducing, as the market price had appeared to have substantially reduced in price;
- it was queried if the overall High Life Highland (HLH) budget had been calculated to take into account its own energy saving measures. In addition, information was sought and provided whether Inverness Leisure Centre was benefiting from the Archimedes screw energy generator to supplement the running of the facility;
- further information was sought and provided on the reason staff vacancies were impacting on the fee income, which was derived from the delivery of asset rationalisation projects, and causing a shortfall;
- in regard to Catering, a number of responses were provided to queries including whether the report took into account school meals; whether or not there had been an uptake in pupils buying school meals when they reached a certain age; if unused school meals were put to waste or if a better use could be found; and how many Members had paid for their lunch provision whilst attending meetings at Council headquarters. In addition, an explanation was sought and provided in relation to the ceased free school meals for pupil supervisors, and whether this had impacted on them volunteering to supervise pupils during lunch breaks;
- regarding the vacant HLH properties at Ardconnel Terrace, Inverness, it was queried what the plan was for these buildings, and were there other similar vacant properties elsewhere; and

- groups and organisations that rented properties from HLH or the Council had confirmed they had suffered financially due to covid lockdowns and were struggling to sustain rental costs, in this regard a financial breakdown of these rentals would be helpful for future discussion.

Thereafter, the Committee **NOTED**:

- i. that based on the best available information to date, a service budget gap of £2.610m to the end of 2022/23 was presently forecast. This was an increasing budget gap since the Q1 monitoring report where a budget gap of £1.261m was being projected;
- ii. that the budget gap might change positively or negatively depending on the application of expenditure and recruitment controls, filling fee earning posts in an extremely challenging job market, adjusting services to meet previously agreed budget savings; in-year income recovery, identifying new income and procurement opportunities;
- iii. the progress update provided in relation to budget savings delivery; and
- iv. that further adjustments would be made in future quarterly reporting to reflect the updated apportionment of costs across the new Service structure.

## **7. Property Capital Monitoring Statement and Progress Update Aithris Sgrùdaidh Calpa Seilbhe agus Cunntas às Ùr air Adhartas**

There is circulated Report No HP/**05**/23 by the Executive Chief Officer Housing and Property.

During discussion, Members raised the following main points:-

- the recommendation at 2.13 of the report regarding the £2M school estate investment was welcomed;
- assurance was sought and provided that all other Highland schools had an appropriate inspection regime to ensure maintenance was kept up to date;
- commendation and thanks were expressed for recent dynamic and robust interactions between officers and community stakeholders regarding a school on the Isle of Skye;
- the need for innovative solutions and the importance of stakeholder engagement was emphasised. Confirmation was provided that the stakeholder groups were regularly updated on progress of the major school projects;
- clarification was sought and provided regarding page 38 of the report under the heading, Strategic Asset Management, Energy Management. In this regard it was queried why this budget expenditure appeared to be progressing slower than anticipated;
- Members expressed appreciation that they could timeously approve expenditure for essential repairs to Thurso High School;
- the level of slippage (£22.393m) was high, but it was acknowledged that it was difficult to keep projects progressing given the current unprecedented external challenges;
- assurance was sought and provided that planning applications for Charleston Academy and Culloden Academy would be submitted as expeditiously as possible;
- regarding 6.2 of the report, Property Surveys, information was sought and provided when completion of these surveys was anticipated;

- whilst the overall depot rationalisation project work was moving forward, it was requested that smaller prevailing depot issues be considered for investment to improve some working conditions for staff; and
- the Chair conveyed thanks to Officers for their hard work in producing the quality reports for Members.

Thereafter, the Committee **NOTED**:

- i. the position for the third quarter of the 2022/23 financial year, and the estimated year-end position;
- ii. the progress made with the projects referred to in the report;
- iii. the progress on the structural investigations at Thurso High School and **APPROVED** the allocation of £2M from the School Estate Improvement Programme capital budget heading for the installation of modular classroom accommodation, all as outlined in Paragraphs 4.5 and 4.6 of the report;
- iv. the progress on the new building for Ness Castle Primary School in Inverness and the verbal update provided at the Committee meeting; and
- v. that an announcement on the outcome of the bidding process for Phase 3 of the Scottish Government's Learning Estate Investment Programme was expected early in 2023 and the verbal update provided at the Committee meeting.

The meeting was closed at 1.15pm.