

The Highland Council

Minutes of Meeting of the **Housing and Property Committee** held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on **Wednesday 31 January 2024** at 10.30 am.

Present:

Ms S Atkin (Remote)	Ms A MacLean
Mr B Boyd	Mr D Macpherson
Mr R Bremner (Remote)	Mrs B McAllister
Mr I Brown	Ms J McEwan
Mrs G Campbell-Sinclair	Mrs P Munro (sub) (Remote)
Mr L Fraser	Mr M Paterson (Remote)
Mr A Graham	Mr A Rhind
Mrs I Mackenzie (Remote)	Mr K Rosie (Remote)
Mr R Mackintosh	Mr R Stewart

Non-Members also present:

Mr J Finlayson	Mr J McGillivray
Mr R Gale	Mr P Oldham
Ms M Hutchison	Mrs T Robertson
Mr B Lobban	Ms M Ross
Mr P Logue	

Tenant Representatives in Attendance:

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

Officials in Attendance:

Mr M Rodgers, Executive Chief Officer, Housing and Property
Mr B Cameron, Interim Head of Housing & Building Maintenance
Mr F MacDonald, Head of Property and Facilities Management
Mr R Campbell, Service Lead-Capital Planning & Estates Strategy
Ms H Cameron, Housing Development Manager
Mrs L Dunn, Joint Democratic Services Manager
Ms A Macrae, Senior Committee Officer
Mrs O Bayon, Committee Officer

**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

1. **Calling of the Roll and Apologies for Absence** **Gairm a' Chlàir agus Leisgeulan**

An apology for absence was intimated on behalf of Mr C Munro.

2. Declarations of Interest/Transparency Statement Foillseachaidhean Com-pàirt/ Aithris Fhollaiseachd

There were no declarations of interest.

3. Good News Naidheachdan Matha

The Committee **NOTED** the good news as circulated.

4. Housing Revenue Account Estimates 2024/25 Tuairmsean Cunntas Teachd-a-steach Taigheadais 2024/25

There had been circulated Report No HP/01/24 by the Executive Chief Officer Housing and Property.

In discussion, Members raised the following main points:-

- the proposed rent increase would help fund the backlog of non-essential repairs and tenants would expect an improved service, although it was acknowledged this would place additional pressure on the Service due to external factors such as cost of works, net zero standards and availability of trades;
- officers be commended on the high level of engagement achieved through the tenant consultation;
- further clarity was sought and provided that the proposed long term strategy for rents would help identify investment and borrowing requirements and provide more stability and assurance for tenants;
- concern at the deliverability of the strategy as rent increases were affected annually by factors such as cost of materials, contractor costs and pay awards;
- in response to a query, information was provided on the changes to the telecare system and it was confirmed that Ms S Atkin would be provided with a briefing on this matter;
- concern at the increasing debt burden on the HRA and impact of loan charges on the budget and the proposed strategy going forward given future capital investment pressures. It was explained the strategic review would seek to ensure that loan charges remained affordable to enable a balanced position on the HRA to be achieved and to build up a sustainable level of reserves;
- concern at the substantial reduction in reserves and further clarity was provided on the target level for the minimum and preferred level of those reserves;
- if the proposed rent increase was approved, tenants would continue to pay substantially less than the average Council house and housing association rents in Scotland;
- a request that local Members receive information on void properties so they could pass this onto constituents enquiring about housing;
- the impact of the small rent increase applied in the current financial year on repairs and maintenance and the implications for the level of rent increase in 2024/25; and

- a strategic decision had been taken on the rent increase for the current year to protect tenants from the cost of living crisis and in recognition that a higher increase might be required in the next financial year.

Thereafter, the Committee:

- i. **APPROVED** a 7.95% rent increase which would result in an increase of £6.68 in the average weekly Council house rent from £83.17 to £89.85 per week. This increase for 2024/25 would still be lower than average Council house rents in Scotland for 2023/24;
- ii. **NOTED** the above rent increase would be applied to all residential HRA rents and service charges, to Gypsy/Traveller site pitches and to non-HRA rents for leased properties (subject to lease agreements);
- iii. **APPROVED** the increase to £15 per week in the new build supplement service charge to tenants moving into new build housing from 1 April 2024; and
- iv. **NOTED** the current strategic review of the Housing Revenue Account which would enable the Committee in 2024 to agree long-term rental increases in line with a revised Housing Revenue Account Capital Plan.

5. Housing Revenue Account (HRA) and Non-HRA Budget Monitoring Statement to 31 December 2023
Aithris Sgrùdaidh Buidseat Cunntas Teachd-a-steach Taigheadais agus Neo-thaigheadais gu 31 An Dubhlachd 2023

There had been circulated Report No HP/02/24 by the Executive Chief Officer Housing and Property.

In discussion, Members raised the following main points:-

- in response to a query, it was explained that a trades review was to be carried out, reports would be brought back to Members and there would be Member workshops;
- the challenges around the Council being competitive with the private sector in terms of pay rates for trades including that some pay scales were set nationally and the requirement to balance the HRA each year;
- additional inhouse trades staff would deliver savings for the Council as there would be less reliance on external contractors. There was a national skills shortage of trades and the Council had to consider paying the going rate to address recruitment challenges;
- further clarity was sought and provided on the management and repairs and maintenance costs associated with homeless accommodation and where these were reflected in the HRA and Non HRA budgets;
- in response to a query, information was provided on the Council's policy on rechargeable repairs and issues of proportionality around the time and resources involved in the debt recovery process;
- in response to a query, it was confirmed that Ms A MacLean would be provided with further details in relation to the budget allocation for community initiatives;
- the number of building maintenance vacancies in the Inner Moray Firth area raised concerns around recruitment for the Inverness and Cromarty Firth Green Freeport and the provision of housing and associated infrastructure for essential staff;

- the range of issues with the Green Freeport had been discussed at a housing seminar held at Eden Court, Inverness at the end of 2023 attended by a range of agencies. Scottish Ministers had given a commitment to make Highland a designated area for consideration in terms of planning. A further seminar was scheduled for the end of February 2024 and the Chair would ensure all Committee Members received an invitation once a date was confirmed;
- in response to a query, information was provided on the main reasons for void properties in Highland and it was confirmed that the Council's re-let times compared favourably to the national average. Mrs B McAllister would be provided with specific details of voids in Merkinch;
- the percentage of the homeless budget spent on renting properties from other agencies and on supervision and management costs. It was confirmed the potential to provide a more detailed breakdown of costs in the next report would be investigated;
- potential alternative ways of supporting homeless tenants such as the repurposing of long terms voids to alleviate some of the burden on the Council's Housing service;
- the work undertaken with other support providers with vulnerable tenants and confirmation there had been a move away from the model of supported accommodation; and
- the need to consider more innovative ways of building and funding housing of all tenures including the role of private sector developers. It was highlighted discussions were ongoing with the Scottish Government on how the Council might be involved in delivering forms of housing other than the traditional Council house tenure.

Thereafter, the Committee **APPROVED** the budget position on the Housing Revenue Account and non-Housing Revenue Account 2023/2024 for the period to 31 December 2023.

6. Property & Facilities Management Services Revenue Monitoring Statement Quarter 3 to 31 December 2023
Aithisg Sgrùdaidh Teachd-a-steach Sheirbheisean Rianachd Cuid-seilbh & Ghoireasan gu 31 An Dubhlachd 2023

There had been circulated Report No HP/03/24 by the Executive Chief Officer Housing and Property.

In discussion, Members raised the following main points:

- confirmation was sought and provided that the Scottish Government had provided additional funding for the expansion of free school meals. There would be challenges with space in some locations and further work would be undertaken with schools;
- in response to a query, it was confirmed there were strict guidelines on the nutritional content of school meals and the issues around food procurement and waste was being taken toward by a working group;
- the savings achieved on non-domestic rates was a good news story and noting the Service also had a member of staff engaged in applying for rates relief across the Council;

- an explanation was sought and provided on the savings being delivered through the vacation of buildings as part of the asset management process;
- an assurance was sought and provided that a head teachers group was engaged in the redesign of FM services and there would be further engagement with head teachers across the Council. As part of the redesign robotic cleaning was being tested to compensate for the non-filling of vacancies;
- in response to a query, reference was made to the work ongoing to ensure cleaning standards were maintained within the available resource;
- an update was sought and provided on the work ongoing in relation to the remaining schoolhouses in terms of them being declared surplus to requirements, disposed of or incorporated into the school estate;
- concern at the high utility costs and that a mechanism had to be found that changed behaviour around energy usage and the potential for High Life Highland and Council occupiers to be more directly responsible for their energy bills on the basis this would reduce usage;
- the challenges around filling vacancies in relation to fee earning staff due to the fact the Council's salary offer could not compete with the private sector; and
- the challenges in retaining graduates and other staff on completion of their training. An update was also provided on the engagement undertaken with schools in terms of careers with the Council.

Thereafter, the Committee **NOTED**:

- i. the position for the third quarter of the 2023/24 financial year, and the predicted year-end position;
- 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, and identifying new income and procurement opportunities; and
- iii. the progress update provided in relation to corporate budget savings delivery.

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

There had been circulated Report No HP/04/24 by the Executive Chief Officer Housing and Property.

In discussion, Members raised the following main points:-

- officers were thanked for attending a stakeholders meeting at St Clement's School, Dingwall and for enabling the pupils affected by nearby building noise to use an alternative facility;
- in response to a query, it was confirmed that officers would meet with local Members to provide an update on progress on the Tain 3 to 18 Campus;
- the Service be commended on the plans for upgrading the Gypsy/Traveller Site at Longman Park, Inverness;

- the average replacement costs of school sports pitches and the opportunities to continue to make funding bids to Sports Scotland and other sports bodies and the importance of a whole life cycle cost approach being taken to these facilities;
- an assurance was sought and provided that it was expected the full condition and structural surveys for Charleston Academy would be completed by the end of February and May 2024 respectively. Local Members would be advised if unforeseen circumstances impacted on that timeframe. Thereafter, a period of time would be required to consider the resource implications, following which stakeholder meetings would be arranged; and
- in response to a query, it was confirmed that officers continued to work towards the Learning Estate Investment Programme funding deadline at the end of 2025 in relation to Broadford Primary School. Local Members and stakeholders would be informed in advance if a request for an extension was required.

Thereafter, the Committee **NOTED** the:

- i. position at the end of the third quarter of the 2023/24 financial year, and the estimated year-end position;
- ii. current position regarding the management of the works programmes and the delivery of the individual projects referred to in the report; and
- iii. various challenges faced this financial year and that were expected to continue into 2024/25.

8. Housing Revenue Account (HRA) Capital Monitoring Report Quarter 3 Monitoring Report to 31 December 2023
Aithisg Sgrùdaidh Calpa Cunntas Teachd-a-steach Taigheadais Cairteal 3 gu 31 An Dubhlachd 2023

There had been circulated Report No HP/05/24 by the Executive Chief Officer Housing and Property.

In discussion, Members raised the following main points:

- a request that more detailed information be provided in future reports on progress with the new Council house build programme, given the significant level of spend involved;
- further clarity was sought and provided that the average cost of a new build Council unit was £250,000, albeit there were huge variations depending on location and type of contract;
- a request that the numbers on the Council house waiting list be provided in future reports; and
- confirmation was sought and provided that individual new and second hand house purchases continued to be progressed where those properties met the standards the Council had to achieve.

The Committee:-

- i. **APPROVED** the budget position on the Housing Revenue Account Capital Programme 2023/2024 for the period to 31 December 2023; and

- ii. **NOTED** that more information on the new Council house build programme and the numbers on the Council house waiting list would be provided in future reports.

9. Housing Performance Report to 31 December 2023 Aithisg Choileanaidh Taigheadais gu 31 An Dubhlachd 2023

There had been circulated Report No HP/06/24 by the Executive Chief Officer Housing and Property.

The Chair indicated that she wished to send out a clear message to tenants in rent arrears that the Council was compassionate and understanding and to encourage them to contact the Council as early as possible so they could be provided with the excellent support available through its inhouse teams.

In discussion, Members raised the following main points:-

- long term rent arrears impacted on both tenants and the Council's budget and reference to the importance of tenants contacting the Council and the Citizens Advice Bureau to check their benefits entitlement;
- more than half of tenants were not in rent arrears and this underlined the effectiveness of early intervention and the support being provided;
- officers be commended on a positive performance report, specific reference being made to the benchmarked performance for repairs and it was hoped the position with non-emergency repairs would improve in the next financial year;
- concern at the significant impact on the budget due to the small proportion of tenants with high level rent arrears and how this could be addressed going forward, also recognising the level of work and resources invested in seeking to recover those arrears;
- in regard to the above, reference was made to the challenges around the high cost to the Council associated with evictions. The removal of legislative barriers at the end of March 2024 might impact on high level arrears, while recognising evictions were considered to be a last resort;
- the opportunities to improve the energy performance of Council properties and consider other measures to reduce utility costs and increase the disposable income tenants had to pay their rent;
- further clarity was sought and provided on the main reasons older people presented as being homeless and the range of preventative work being undertaken. Nationally there was discussion around prevention duties on national bodies such as the NHS. In relation to armed services veterans, the Service worked with Poppy Scotland and other agencies to support households;
- in response to a query, it was confirmed the Service had a right sizing scheme that provided incentive payments to tenants if they wished to move to a smaller property and there were opportunities to engage with tenants on this matter; and
- confirmation was sought and provided that information on progress with the transfer of tenants from housing benefit to universal credit would be included in the Tenancy Management section of future reports.

Thereafter, the Committee **NOTED** the information provided on housing performance in the period 1 April 2023 to 31 December 2023 and that information on progress with the transfer of tenants from housing benefit to universal credit would be included in the Tenancy Management section of future reports.

10. Service Performance Monitoring Report to 30 September 2023
Aithisg Sgrùdaidh Coileanadh Seirbheis gu 30 Sultain 2023

There had been circulated Report No HP/07/24 by the Executive Chief Officer Housing and Property.

The Committee **NOTED** the Service's performance information.

11. Strategic Housing Investment Programme 2024-2029
Prògram Tasgaidh Taigheadais Ro-innleachdail 2024-2029

There had been circulated Report No HP/08/24 by the Executive Chief Officer Housing and Property.

Members were advised of a proposed amendment to recommendation ii. set out in the report in that the Committee was invited to approve the priorities for affordable housing investment for 2024 to 2029 contained in Appendix 2 to the report.

Thereafter, Members raised the following main points:-

- further clarity was sought and provided that a main issue for the lack of housing development on the West coast was contractors having to import labour exacerbated by the lack of housing for workers;
- further information was sought and provided on the different types of low cost home ownership projects the Council operated and models being considered;
- the importance of there being different types of housing tenure and support for mid-market options particularly for young people;
- the challenges around purchasing properties in rural areas and the issues around having more short term let control areas in Highland;
- purchasing houses which were up to the Council's standards was a cheaper option compared to new builds and should continue to be promoted;
- in response to a query, it was explained the costs of Council and private sector housing development was fairly similar, however the lack of private sector speculative development on the West coast was essentially due to the cost value relationship;
- information was sought and provided in relation to enabling older and vulnerable people to continue to live independently in their homes including that the Council and NHS Highland continued to support the Care and Repair scheme and there was also a budget line for equipment and adaptations in the HRA Capital Programme;
- in response to a query, it was explained that different sources of funding to tackle vacant and derelict land would continue to be pursued and discussions were ongoing with the Scottish Government on the matter; and

- reference to the barriers in bringing some older empty properties back into use given the current space and increasing energy standards. It was explained while the challenges were recognised, opportunities to upgrade existing buildings would be pursued given the numbers on the waiting lists and the high cost of the new build programme.

Thereafter, the Committee:

- i. **APPROVED** the Strategic Housing Investment Plan as attached as Appendix 1 to the report, for submission to the Scottish Government in draft form pending consideration by Area Committees; and
- ii. **APPROVED** the priorities for affordable housing investment for 2024 to 2029 contained in Appendix 2 to the report.

The meeting was closed at 2.30pm.