

MINUTE of MEETING of the SERVICES FOR THE COMMUNITY POLICY DEVELOPMENT AND SCRUTINY PANEL of WEST LOTHIAN COUNCIL held within COUNCIL CHAMBERS, 1ST FLOOR, WEST LOTHIAN CIVIC CENTRE, on 6 FEBRUARY 2018.

Present – Councillors George Paul (Chair), Andrew McGuire, Alison Adamson, Lawrence Fitzpatrick, Peter Heggie, John McGinty

Apologies – Councillor Frank Anderson and Jessie Duncan and Alison Kerr (Tenants Panel Representatives).

1. DECLARATIONS OF INTEREST

There were no declarations of interest made.

2. 2018/19-2022/23 HOUSING REVENUE ACCOUNT BUDGET AND RENT LEVEL

A report had been circulated by the Depute Chief Executive advising the Panel of the proposed Housing Revenue Account (HRS) rent strategy for the period 2018/19 – 2022/23, as well as the HRA Budget, rent and service charges for 2018/19.

The report recalled that West Lothian Council had previously approved both a five year rent and capital investment strategy in January 2013, and as such 2017/18 was the final year of the approved programme. In developing financial plans, and in line with the Housing (Scotland) Act 2001, a formal tenant consultation was undertaken on future housing rent and capital investment strategy. The outcome was reported to the Services for the Community PDSP on 12 December 2017 and had indicated that tenants favoured a 3% rent increase per annum over the five year period to 2022/23. Tenants had also indicated they would be willing to fund future council housing investment and supply.

The Panel was informed that a 3% per annum rent increase would enable delivery of a balanced HRA revenue budget over the period 2018/19-2022/23 and ensured continued investment in housing infrastructure improving existing homes and creating new affordable homes over the five year timeframe.

If the rent increase was approved, and based on the latest stock report as at 31 December 2017, the average weekly rental for homes would be £70.49 in 2018/19, increasing from £68.44 in 2017/18. The equivalent weekly figure for garages was £5.93 in 2018/19, increasing from £5.76 in 2017/18. The indicative rent level for HRA properties and garages across the five year period was detailed in a table within the report.

The report also provided a table showing the estimated allocation of revenue resources, and the associated funding generated through a 3%

rent increase, throughout the five year period covered by the HRA budget strategy. The report also examined the key expenditure assumptions.

It was noted that under the 3% rent strategy, the ratio of capital financing costs to housing rental income would increase from 31.9% in 2018/19 to 33.8%

The estimated Income and Expenditure was expected to be £49.1 million in 2018/19.

The report then went on to examine Risks and Uncertainties. It also provided commentary in relation to Housing Reserves and Prudential Code Implications.

Appendix 1 to the report was an Equality Relevance Assessment.

It was recommended that the Panel note:-

1. The 2018/19 – 2022/23 3% per annum rent strategy, encompassing HRA properties and garages, which would fund service needs and a five year Housing Capital investment programme;
2. The 3% rent strategy for Sheltered Housing and Homelessness properties, as well as related service and support charges, for the period 2018/19 – 2022/23.
3. A rent increase of 3% in 2018/19 and associated HRA Revenue Budget as set out in the report.

### Decision

To note the terms of the report.

### 3. HOUSING CAPITAL INVESTMENT PROGRAMME 2018/19 - 2022/23

A report had been circulated by the Depute Chief Executive informing the Panel of the proposed Housing Capital Investment Programme 2018/19 – 2022/23 and the proposed for exemption for works under the terms of the Best Value Framework.

The Panel was informed that 2017/18 was the final year of the existing five year housing capital investment programme. Over the five year period there had been an unprecedented £196 million of expenditure on the council's existing stock, achieving Scottish Housing Quality Standards, moving towards energy targets, while also increasing new build supply.

The month 6 monitoring report to Council Executive on 14 November 2017 reported expenditure totalling £50.574 million to be incurred within the 2017/18 Housing Capital Programme. The programme encompassed both new build housing and major investment in the existing housing stock, with a number of large scale housing projects undertaken by

Building Services. The projected expenditure of £50.574 million represented a £6.878 million variance against budgeted resources, compromising slippage, acceleration as well as variances against planned expenditure. Consequently, a number of resources would be carried forward into the future five year programme, and these were outlined in the report.

The five year Housing Capital Investment Programme 2018/19 – 2022/23 would see total investment of £154.877 million with significant resources invested in the creation of new homes and a strong focus on the maintenance of quality standards across the housing stock.

The five year programme would see completion of the 1000 Houses new build programme, and additional investment to increase housing supply. External upgrading would continue in areas identified as in greatest need and an increasing emphasis would be placed on the Energy Efficiency Standard for Social Housing (EESH). The proposed investment programme was summarised in the table within the report. Individual projects, comprised within each project heading, were listed in Appendix 1 and further detail on work to be encompassed within the programme was contained in Appendix 2.

Table 2 within the report showed the capital resources available to fund the housing capital programme 2017/18 and it was noted that Council executive would be updated on latest assumptions in future monitoring reports.

In relation to Governance, the Depute Chief Executive reported that the council had continued to build a resilient culture of effective planning and governance, with strong evidence to demonstrate how the council met the defined best value characteristics. The Council's Best Value Framework, which was approved on 10 June 2014, ensured that the council complied with the provisions contained within the Local Government in Scotland Act 2003.

The proposals within the overall Housing Capital Investment programme had been considered for their impact on equality. No specific issues had been identified from an equality perspective and the assessment was attached as Appendix 3 to the report.

The Depute Chief Executive concluded that expenditure of £45.219 million was anticipated in 2018/19, and the programme consolidated and updated on movements reported to Council Executive in November 2017, recognising the requirement to refine and phase projects and expenditure. It also introduced a new period of planned investment in housing stock, ensuring that resources were prioritised effectively and reflected the investment needed of the council's housing stock.

Through the Housing Capital programme, the council continued to maintain quality standards and invest in the suitability and sufficiency of its housing stock to improve the environment within communities and meet the needs of existing and future tenants across West Lothian.

It was recommended that the Panel note:

- 1) the proposed 2018/19 – 2022/23 Housing Capital Investment Programme and related funding as detailed in the report; and
- 2) the updated exemptions for works under the terms of the Best Value Framework, as outlined in section D.5 of the report.

During discussion, a question was raised concerning the estimated site completion date for Lammermuir House, Livingston (shown in Appendix 2 as April 2018). Officers reported that this information would be updated as appropriate prior to submission of the report to the Budget Setting Meeting.

In response to a further question raised, officers advised that the £370,000 in the capital programme for 2018/19 (Appendix 1, Deans South) related to security and general maintenance of the site.

In response to a request for details of the amount spent on security and maintenance since 2004 on the Deans South site, officers advised that a substantial amount would have been spent on demolition. Figures would be provided to Panel members, if available.

#### Decision

To note the terms of the report.