



Housing and Community Safety Committee

Tuesday, 27 June 2023

NOTICE IS HEREBY GIVEN that a Meeting of the **Housing and Community Safety Committee** is to be held at **Council Chambers, Council Office, High Street, Elgin, IV30 1BX** on **Tuesday, 27 June 2023** at **14:00**.

BUSINESS

1. **Sederunt**
2. **Declaration of Group Decisions and Members Interests ***
3. **Resolution**
Consider, and if so decide, adopt the following resolution:
"That under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Item 15 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act."
4. **Minute of the meeting held 9 May 2023** 7 - 10
5. **Written Questions ****
6. **Performance Report (Housing and Property Services)** 11 - 16
Period to March 2023
Report by Depute Chief Executive (Economy, Environment and Finance)
7. **Moray Affordable Housing Investment Programme** 17 - 24
Report by Depute Chief Executive (Economy, Environment and Finance)
8. **Allocations Policy Annual Performance Report 2022-23** 25 - 34
Report by Depute Chief Executive (Economy, Environment and Finance)

- | | | |
|-----|--|----------------|
| 9. | Decoration Allowance Policy | 35 - 50 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 10. | Temporary Accommodation Charging Policy Review | 51 - 70 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 11. | Housing and Property Services - Unaudited Outturn as at 31 March 2023 | 71 - 80 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 12. | Housing Investment Report 2022-23 | 81 - 94 |
| | Report by Depute Chief Executive (Economy, Environment and Finance) | |
| 13. | Information Reports - if called in | |
| 14. | Question Time *** | |
| | Consider any oral question on matters delegated to the Committee in terms of the Council's Scheme of Administration. | |

Item(s) which the Committee may wish to consider with the Press and Public excluded

- | | |
|-----|---|
| 15. | Building Services Trading Operation Budget 2022-23 - Budget Monitoring |
| | <ul style="list-style-type: none"> Information on terms proposed or to be proposed by or to the Authority; |

Information Reports - Not for Discussion at this Meeting

Any member wishing to call in a noting or information report from one meeting shall give notice to Committee Services at least 48 hours before the meeting for which the report is published. The Notice shall be countersigned by one other elected member and shall explain the reason for call in including any action sought.

Information Report - Moray Home Energy Efficiency Programme	95 - 100
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Report by Depute Chief Executive (Economy, Environment and Finance)

Summary of the Housing and Community Safety

Committee functions:

To deal with matters relating to Housing/HMOs, Housing Regeneration, Homelessness, Social Inclusion, Equalities, Community Safety, Anti-Social Behaviour (including road accidents) and Community Liaison.

* **Declaration of Group Decisions and Members Interests** - The Chair of the meeting shall seek declarations from any individual or political group at the beginning of a meeting whether any prior decision has been reached on how the individual or members of the group will vote on any item(s) of business on the Agenda, and if so on which item(s). A prior decision shall be one that the individual or the group deems to be mandatory on the individual or the group members such that the individual or the group members will be subject to sanctions should they not vote in accordance with the prior decision. Any such prior decisions will be recorded in the Minute of the meeting.

** **Written Questions** - Any Member can put one written question about any relevant and competent business within the specified remits not already on the agenda, to the Chair provided it is received by the Proper Officer or Committee Services by 12 noon two working days prior to the day of the meeting. A copy of any written answer provided by the Chair will be tabled at the start of the relevant section of the meeting. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than 10 minutes after the Council has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he or she can submit it in writing to the Proper Officer who will arrange for a written answer to be provided within 7 working days.

*** **Question Time** - At each ordinary meeting of the Committee ten minutes will be allowed for Members questions when any Member of the Committee can put a question to the Chair on any business within the remit of that Section of the Committee. The Member who has put the question may, after the answer has been given, ask one supplementary question directly related to the subject matter, but no discussion will be allowed.

No supplementary question can be put or answered more than ten minutes after the Committee has started on the relevant item of business, except with the consent of the Chair. If a Member does not have the opportunity to put a supplementary question because no time remains, then he/she can submit it in writing to the proper officer who will arrange for a written answer to be provided within seven working days.

MORAY COUNCIL

Housing and Community Safety Committee

SEDERUNT

Councillor Amber Dunbar (Chair)
Councillor Donald Gatt (Depute Chair)

Councillor Neil Cameron (Member)
Councillor John Divers (Member)
Councillor Jérémie Fernandes (Member)
Councillor David Gordon (Member)
Councillor Sandy Keith (Member)
Councillor Scott Lawrence (Member)
Councillor Marc Macrae (Member)
Councillor Paul McBain (Member)
Councillor Shona Morrison (Member)
Councillor Derek Ross (Member)
Councillor John Stuart (Member)
Councillor Draeyk Van Der Horn (Member)

Ms Anna Bamforth (Non-Voting Member)
Ms Jane Bartecki (Non-Voting Member)
Mr Ronald Tolmie (Non-Voting Member)

Clerk Name:	Lindsey Robinson
Clerk Telephone:	07966 120593
Clerk Email:	committee.services@moray.gov.uk

Minute of Meeting of the Housing and Community Safety Committee**Tuesday, 09 May 2023****Council Chambers, Council Office, High Street, Elgin, IV30 1BX****PRESENT**

Ms Jane Bartecki, Councillor Theresa Coull, Councillor John Divers, Councillor Amber Dunbar, Councillor Jérémie Fernandes, Councillor Donald Gatt, Councillor David Gordon, Councillor Sandy Keith, Councillor Scott Lawrence, Councillor Marc Macrae, Councillor Paul McBain, Councillor Shona Morrison, Councillor Derek Ross, Councillor John Stuart, Councillor Draeyk Van Der Horn

APOLOGIES

Ms Anna Bamforth, Mr Ronald Tolmie

IN ATTENDANCE

Also in attendance at the above meeting were the Depute Chief Executive (Economy, Environment and Finance), Head of Housing and Property Services, Property Asset Manager, Building Services Manager, Georgina Anderson, Senior Solicitor and Lindsey Robinson, Committee Services Officer as Clerk to the meeting.

1. Chair

Councillor Amber Dunbar, as Chair of the Housing and Community Safety Committee, chaired the meeting.

2. Declaration of Group Decisions and Members Interests *

In terms of Standing Order 21 and the Councillors' Code of Conduct, there were no declarations from Group Leaders or Spokespersons in regard to any prior decisions taken on how Members will vote on any item on the agenda or any declarations of Member's interests in respect of any item on the agenda.

3. Resolution

The Committee resolved that under Section 50A (4) and (5) of the Local Government (Scotland) Act 1973, as amended, the public and media representatives be excluded from the meeting for Item 9 of business on the grounds that it involves the likely disclosure of exempt information of the class described in the relevant Paragraphs of Part 1 of Schedule 7A of the Act.

Paragraph Number of Minute	Paragraph Number of Schedule 7a and Reason
9	9 - Information on terms proposed or to be proposed by or to the Authority.

4. Minute of the meeting of the Housing and Community Safety Committee of 14 February 2023

The minute of the meeting of the Housing and Community Safety Committee dated 14 February 2023 was submitted and approved.

5. Written Questions **

The Committee noted that no written questions had been submitted.

6. Housing and Property Services Service Plan 2023-24

A report by the Depute Chief Executive (Economy, Environment and Finance) invited the Committee to consider the Housing and Property Services Service Plan for 2023-24.

Following consideration the Committee agreed to approve the Service Plan for Housing and Property Services at Appendix I.

7. Housing Investment 2023-24

A report by the Depute Chief Executive (Economy, Environment and Finance) informed the Committee of the planned investment work included within the Housing Investment Plan for 2023/24 that was approved at Council on 1 March 2023 (paragraph 7 of the minute refers)

Following consideration, the Committee agreed to note the planned works which will improve the Council's Housing stock.

8. Question Time ***

Under reference to paragraph 7 of the minute of this Committee dated 14 February 2023, Councillor Gatt sought clarification on the action response he had received. He was of the opinion that it should contain information on who had asked for the information.

In response the Clerk advised that she would check to see if any changes could be made to the form used.

Under reference to paragraph 7 of the minute of this Committee dated 14 February 2023, Councillor Keith sought an update on the extended programme of moss removal.

In response the Property Asset Manager advised that he would email Councillor Keith an up to date list of the properties.

Councillor Fernandes sought clarification on whether the Council's Domestic Abuse policy met the updated standards.

In response, the Head of Housing and Property Services advised that the policy meets all standards set by the CIHA and their "Make A Stand" campaign was seen as best practice across the sector. The policy will be reviewed periodically and any changes needed will be considered.

9. Building Services Trading Operation Budget 2023-24 - Annual Budget [Para 9]

A report by the Depute Chief Executive (Economy, Environment and Finance) presented the Building Services Trading Operation Budget for 2023/24.

Following consideration the Committee agreed to:

- i. approve the proposed Building Services Trading Operation Budget for 2023/24, as detailed in section 5 and Appendix I of the report;
- ii. approve the service development proposals at a cost of £165k as detailed in section 6 of the report;
- iii. note the 2023/24 Building Services business priorities highlighted in section 7 of the report; and
- iv. note Building Services anticipated key performance outputs for 2023/24, as set out in section 8 of this report.



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: PERFORMANCE REPORT (HOUSING AND PROPERTY SERVICES) – PERIOD TO MARCH 2023

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the service for the period to 31 March 2023.
- 1.2 This report is submitted to Council in terms of Section III (A) (4) of the Council's Scheme of Administration to monitor performance of the services within the Committee's remit in accordance with the Council's performance management framework.

2. RECOMMENDATION

2.1 It is recommended that Committee:

- (i) **Scrutinises performance in the areas of Service Planning, Service Performance and other related data to the end of March 2023; and**
- (ii) **Notes the actions being taken to improve performance where required.**

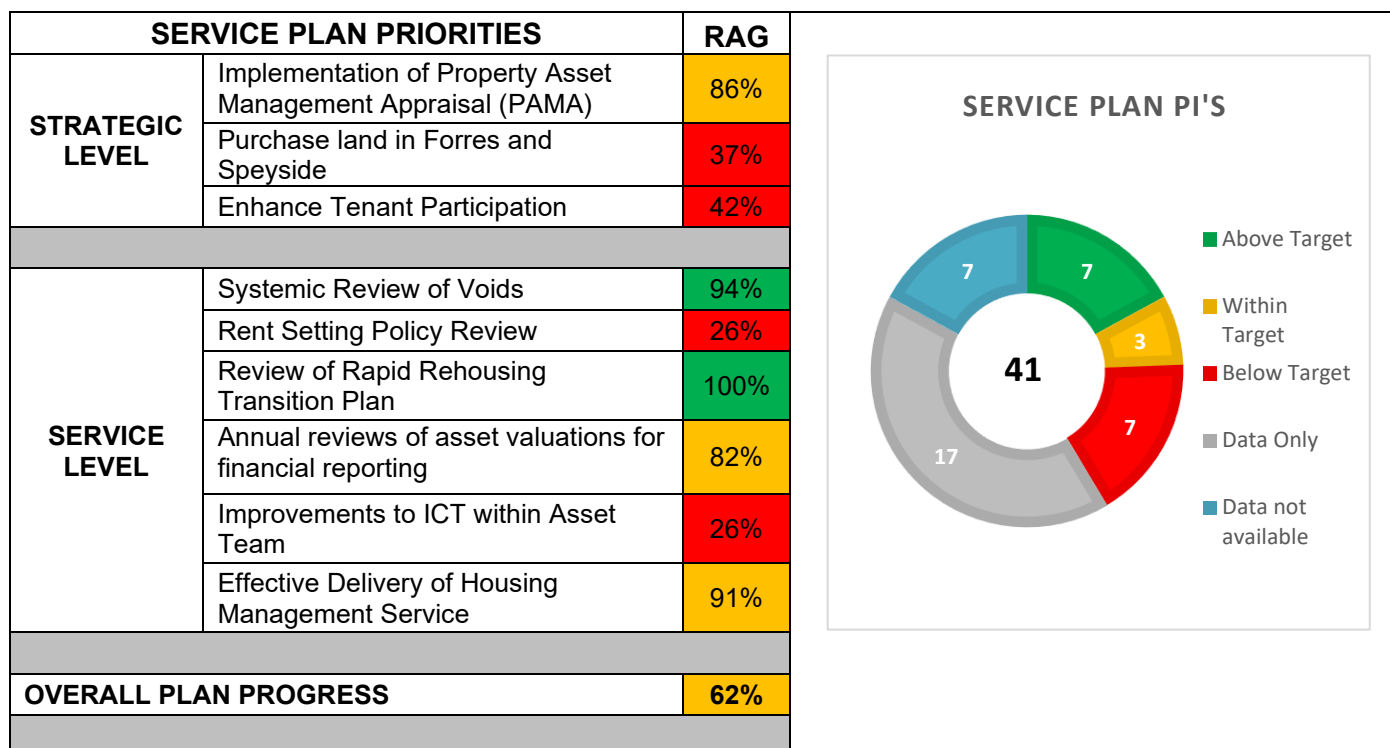
3. BACKGROUND

- 3.1 On 7 August 2019, the Moray Council, approved a revised Performance Management Framework for services (para 5 of the minute refers).

4. SERVICE PLANNING

- 4.1 Each service plan sets out the planned strategic and service level priorities and outcomes it intends to deliver in the coming year aligning closely with financial planning, corporate and community planning partnership strategic priorities. This report provides an interim update on progress on the service plan, key outcomes and performance indicators. The Committee is invited to review progress to secure assurance that it is satisfactory and to provide scrutiny and further direction where performance requires attention.

- 4.2 The narrative included is by exception, links to Service Plan Actions and Performance Indicators can be accessed within the Backing Papers of this report.
- 4.3 Initial publication of 2021-22 Local Government Benchmarking Framework Indicators in February 2023 will be refreshed in June. The full suite can be viewed using the My Local Council tool. Published indicators for this service have been incorporated within the relevant section of this report depending on whether results are used to evidence progress against strategic, service plan or service performance priorities.



Strategic Outcomes - successes

- 4.4 Nothing to report

Strategic Outcomes – challenges and actions to support

- 4.5 Progress with actions contributing to the implementation of the Property Asset Management Appraisal will continue outwith original due dates. The depot review outline business case will be revised to include elements relating to the vehicle refuelling strategy, reporting is anticipated in autumn 2023. The Best Value review of the Housing Maintenance Partnership has made limited progress, resourcing issues within the Housing Asset Management Team have been resolved therefore progress is expected over the next six months. **(ACTIONS: HP23-4.1aii, 4.1aiii)**
- 4.6 With initial land purchases in Forbes and Speyside for industrial development no longer viable, the Commercial Asset Management Team will continue to liaise with Planning to identify potential sites as part of early work on the next Moray Local Development Plan. Capital funding for this will be moved to later

years in the Capital Plan and future opportunities will be progressed through normal channels. (**ACTIONS:** HP23-4.2a-d)

- 4.7 As at March 2023, the review and enhancement of tenant participation is 42% complete. Following appointment of the Customer Engagement Officer in April and dedicated time committed by an Area Housing Manager, the pace of progress is anticipated to increase through establishing baseline participation, aligning the Tenant Participation Strategy to corporate participatory budgeting targets and undertaking the tenant survey, due in 2024. An interim measure of tenant satisfaction is gathered routinely in the percentage satisfied with the standard of homes when moving in, which decreased from 83% to 72% in the year ended March 2023, remaining below target (90%). Actions to address will be carried forward through the ongoing review work stream. (**ACTIONS:** HP23-4.3a-d **INDICATOR:** H2.3)

Service Level Outcomes – successes

- 4.8 A systemic review of voids is nearing completion with over half the improvement actions identified by the Void Working Group complete. Regular review by the Group will ensure ongoing service improvements are progressed. Albeit whilst remaining above targets, there are early signs of the improvements in indicator results as at March 2023, the annual percentage of rent loss due to voids dropped to 1.01% and average time taken to re-let empty properties fell to 52 days. (**ACTION:** HP23-5.1 **INDICATORS:** H5.4, H5.6)
- 4.9 Contributing to delivery of the Rapid Rehousing Transition Plan, targets to reduce temporary accommodation unit numbers by 5% and the homeless journey by 1 week were achieved. Stock levels fell from 134 to 125 and the average journey time for homeless applicants reduced from 125 days to 104 days in the year to March 2023. Throughout the 2022/23 period, B&B accommodation has been required due to increases in homeless demand, to avoid this in future, stock will need to increase by around 6 units. Further improvement on journey time will be challenging unless homeless approaches reduce or turnover of available lets increases. (**ACTIONS:** HP23-5.3b-c)

Service Level Outcomes – challenges and actions to support

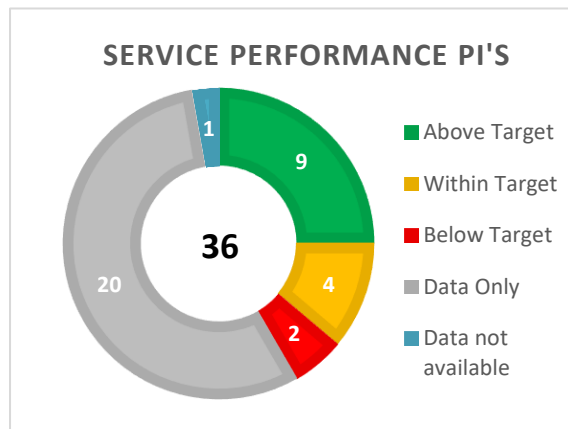
- 4.10 Rent setting policy review is progressing outwith original due dates with work paused due to year end activities. Consultants have presented modelled scenarios of options for officer review and anticipate engaging with tenants on proposals and finalising the approach to a multi-year rent strategy and revised rental structure by autumn 2023. (**ACTIONS:** HP23-5.2b-d **INDICATORS:** H2.1, H5.3, H5.5)
- 4.11 Annual reviews of asset valuations are nearing completion, the valuation review paper has been drafted and submitted to Finance for consideration, initial meeting held with External Auditor who have scheduled scrutiny in July. (**ACTION:** HP23-5.4)
- 4.12 Improvements to ICT systems within the Asset Team have slipped by around a year. The licence has been purchased, Iworld consultancy engaged and

implementation plan agreed from May to August 2023 with process mapping to follow solution and design phase by March 2024. (**ACTION:** HP23-5.5)

- 4.13 Final stages of implementing the revised Housing Management structure will complete this work stream, with an additional Area Housing Manager and Area Housing Officers in post, allocation to area housing teams is being finalised. (**ACTION:** HP23-5.6c)

5. **SERVICE PERFORMANCE**

- 5.1 In line with the Performance Management Framework, operational performance is reviewed quarterly by departmental management. Areas performing well and/or areas subject to a decreasing trend or where benchmarking results show performance significantly below comparators will be reported to this committee for member scrutiny.
- 5.2 The narrative included in this report is by exception, links to Service Performance Indicators can be accessed within the Background Papers at the end of this report.



Operational Indicators - successes

- 5.4 In the year ended March 2023, 90.2% of repairs were completed right first time, an improvement on performance last year (85.5%) and meeting target (90%). (**INDICATORS:** H2.11)

Operational Indicators - challenges and actions to support

- 5.5 As at March 2023, 88% of emergency reactive repairs and 18% of void reactive repairs were completed within timescales, falling below the target levels expected, 99.9% and 98% respectively. All other reactive repair categories achieved accepted levels of performance. Void repairs often involve coordination of multiple trades that impact on timescales, a factor the Void Working Group will give further consideration to. (**INDICATORS:** H2.10a, H2.10e).

6. **OTHER PERFORMANCE RELATED DATA**

Complaints & MP/MSP Enquiries

- 6.1 In line with the Performance Management Framework, complaints are reviewed quarterly by departmental management in terms of time taken to respond, outcome and learning points. Links to complaints tables can be accessed within the Backing Papers of this report.
- 6.2 A total of 104 complaints were closed in the half year to March 2023 of which 91 (87.5%) were frontline stage, 9 (8.7%) were investigative stage, and 4 (3.8%) were escalated. As a comparison, in the same period last year, 78 complaints were closed.
- 6.3 In the same period 72 (79%) of frontline complaints, 8 (89%) of investigative and 4 (100%) escalated complaints were upheld or part upheld, a consistent trend that the service is further reviewing.
- 6.4 The majority of upheld or partially upheld complaints (63) related to Repairs, Capital and Planned maintenance.
- 6.5 A total of 72 MP/MSP enquiries were received during the second half of 2022/23, 32% of the total number received, all were resolved.

Other Performance (not included within Service Plan)

- 6.6 The service completed the acquisition of properties 35 large family homes in Elgin through open market and Ministry of Defence immediately prior to the end of the reporting year. These will make a considerable contribution to alleviating unmet housing need both for those households being directly rehoused and by freeing up other accommodation in the area.

Case Studies

- 6.7 The service has continued to support the national response to the crisis in Ukraine, ensuring housing needs are met after initial host arrangements ended. The acquisition of properties detailed in 6.6 has also enabled the Council to support the national programme to assist Afghan nationals displaced following the evacuation from Kabul.

- 6.8 Nothing to report.

7. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Performance measurement is used to ensure the efficient and sustainable delivery of services to meet the Council's priorities in both the Corporate Plan and the LOIP.

(b) Policy and Legal

The Council has a statutory requirement to publish a range of information that will demonstrate that it is securing best value and assist

in comparing performance both over time and between authorities where appropriate.

(c) Financial implications

None.

(d) Risk Implications

None.

(e) Staffing Implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

An Equality Impact Assessment is not required as this report is to inform the Committee on performance.

(h) Climate Change and Biodiversity Impacts

No direct implications

(i) Consultations

The Head of Housing and Property Services, Depute Chief Executive (Economy, Environment & Finance) and Service Managers, have been consulted with any comments received incorporated into this report.

8. CONCLUSION

8.1 As at 31 March 2023, the plan overall is 61% complete. Four actions or sub actions having been completed. Work to address slippage is detailed within relevant sections of this report.

Author of Report: Christopher Dewhurst, Research & Information Officer

Background Papers: [Service Plan Actions](#)
[Service Plan Performance Indicators](#)
[Service Performance Indicators](#)
[Service Complaints](#)

Ref: SPMAN-1285234812-1347



**REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27
JUNE 2023**

SUBJECT: MORAY AFFORDABLE HOUSING INVESTMENT PROGRAMME

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 To inform the Committee of progress on the Affordable Housing Investment Programme in Moray.
- 1.2 This report is submitted to Committee in terms of Section III G (10) of the Council's Scheme of Administration relating to the preparation and implementation of strategic housing plans.

2. RECOMMENDATION

2.1 It is recommended that the Committee:-

- i) scrutinises and notes progress on the Moray Affordable Housing Investment Programme;
- ii) scrutinises and notes progress on the delivery of the Council's new build and acquisition programme;
- iii) agrees the amended strategic approach to the Council's acquisition programme;
- iv) scrutinises and notes progress on delivery of housing at Bilbohall, Elgin; and
- v) notes the Council's response to the Additional Dwelling Supplement Consultation.

3. BACKGROUND

- 3.1 The Council receives an annual resource allocation from the Scottish Government to fund the supply of new affordable housing in Moray. The Council's Strategic Housing Investment Plans (SHIP) determines how this funding will be used to plan and deliver the affordable housing priorities of

the Local Housing Strategy. The investment and project priorities set out in the SHIP form the basis of an annual Strategic Local Programme Agreement (SLP) between the Council and the Scottish Government. The SLP details the projects that will be funded during the year, the affordable housing developers who will deliver them, the targets for grant expenditure and the milestones by which progress on delivery will be measured. The Council and Registered Social Landlords (RSLs) are the principal developers of affordable housing in Moray.

- 3.2 On 15 July 2021, the Scottish Government provided the Council with a Resource Planning Assumption (RPA) of £46.2m for 2021/22 to 2025/26.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Moray	£10.357m	£8.927m	£8.902m	£8.933m	£9.981m	£46.200m

- 3.3 On 15 November 2022, this Committee approved the Council's SHIP (paragraph 10 of the Minute refers).
- 3.4 The last update on the Affordable Housing programme was presented to this Committee on 14 February 2023 (paragraph 6 of the Minute refers).

MORAY STRATEGIC LOCAL PROGRAMME (SLP)

Outturn 2022/23

- 4.1 The spend achieved in 2022/23 exceeded RPA by 27%. £11.332m was spent on provision of affordable housing against RPA of £8.927m. This positive outcome was due to Moray's ability to bring projects forward and so take advantage of project slippage and underspend within the wider Highlands and Islands administrative region.
- 4.2 New build completions during 2022/23

Site	Town	No of units	Landlord	Completion date
Ferrylea R3 Phase 1	Forres	37	Grampian HA	Aug 2022
Village Garden, Elgin South	Elgin	25	Hanover HA	Sep 2022
Findrassie Phase 1	Elgin	28	Cairn HA	Sep 2022
Hamilton Drive	Elgin	4	Osprey	Nov 2022
Total		94		

- 4.3 Open market acquisitions completed during 2022/23

Location	Town	No of units	Vendor	completion (est)
Pinegrove	Elgin	33	MOD	Mar 2023
Springfield Drive	Elgin	2	MOD	Mar 2023
Pinegrove	Elgin	1	Private seller	Mar 2023
Total		36		

2023/24

- 4.4 The Scottish Government and the Council have agreed a SLP for 2023/24 based on the resource allocation of £8.902m.
- 4.5 As in previous years, the Moray programme will be delivered by a combination of the Council and the RSLs, Grampian Housing Association, Cairn Housing Association, Osprey Housing.
- 4.6 Currently under construction

Site	Town	No of units	Landlord	Completion date (est)
Fyvie Green, Elgin South	Elgin	17	Moray Council	May 2023
Banff Road Phase 1	Keith	33	Moray Council	Jul 2023
Knockomie (R1)	Forres	28	Cairn HA	Oct 2023
Ferrylea R3 Phase 2	Forres	43	Grampian HA	May 2024
Total		121		

- 4.7 Site start expected during 2023/24

Site	Town	No of units	Landlord	Site start (est)
Banff Road, Keith Ph2a	Keith	26	Moray Council	Oct 2023
Speyview Phase 1	Aberlour	30	Moray Council	Mar 2024
Village Green/Bain Ave	Elgin	24	Grampian HA	Mar 2024
Findrassie Ph2b	Elgin	18	Grampian HA	tbc
Muirton, Buckie Ph1	Buckie	16	Osprey Housing	tbc
Total		98		

- 4.8 Site start expected during 2024/25

Site	Town	No of units	Landlord	Site start (est)
Kinneddar Meadows Ph2	Lossiemouth	24	Osprey Housing	Jun 2024
Western Village, Elgin South	Elgin	47	Grampian HA	Jun 2024
Bilbohall Phase 1 (R2)	Elgin	105	Moray Council	Jul 2024
Lesmurdie Field, Elgin	Elgin	18	Places for People	Nov 2024
Total		194		

- 4.9 The amount of More Homes Division grant required has been over-committed against RPA, but this has the support of the Scottish Government as an opportunity to take advantage of programme slippage in other local authority areas and to contribute to the aims of Housing to 2040.
- 4.10 Officers and local development partners will continue to take steps to ensure that a sufficient pipeline of alternative development opportunities is available, as a contingency against slippage. These will be mainly sites already in the approved SHIP.
- 4.11 Progress on programme delivery will be reported to this Committee on a biannual basis.

5. HRA BUSINESS PLAN AND WIDER ECONOMIC CONDITIONS

- 5.1 The timing of the delivery of new Council housing must be within the capacity for prudential borrowing, taking cognisance of the HRA Business Plan assumptions. Following review of the Housing Business Plan in March 2023, the Council agreed that provision for 50 council houses to be built per annum would continue to be made, noting that this is a multi-year outlook and actual output year to year will vary according to development programmes.
- 5.2 The current economic conditions are adversely affecting progress and affordability. Supply chain shortages are easing, but labour shortages persist. Financial issues relating to increased development costs, interest rates and inflation combined with limited levels of Scottish Government subsidy continue to make achieving financial viability very challenging.
- 5.3 In this context, Moray Council projects have been delayed i.e. Bilbohall, Elgin in common with a Grampian HA project at Garmouth Road, Lhanbryde. It may be necessary to landbank sites and/or delay site starts based on the HRA prudential borrowing position e.g. Banff Road, Keith (Phases 2/3).
- 5.4 The forward programme illustrated above at Paras 4.7 and 48 will be informed by the ongoing rent restructuring project which is expected to complete during summer/autumn 2023.

6. COUNCIL NEW BUILD AND ACQUISITION PROGRAMME PROGRESS

Bilbohall, Elgin

- 6.1 Planning consent was granted for 194 units and associated shared infrastructure on 23 March 2021. The consented site is owned by Moray Council and Grampian Housing Association. In December 2021, the Council published a tender for 84 units on the Council owned site, and all the associated shared infrastructure, for the second time, with the support of HUB North Scotland Ltd acting as employers agent. Detailed costs have been considered but the tender received was not financially viable. Officers are pursuing an alternative site design with a density comparable to commercial housebuilders (105 units), which is more likely achieve financial viability. Officers are currently seeking an appropriate procurement route to appointment of a multi-disciplinary design team to prepare further planning application(s), before a further tender can be issued. It is unlikely that this development will achieve site start within 2023/24.

Speyview, Aberlour Phase 1

- 6.2 Moray Council acquired the land for 30 units, with the support of Scottish Government funding, from Springfield Properties in March 2022. The purchase was subject to a 1 year buy back agreement. This project features in the Growth Deal Housing Mix full business case. There have been significant delays in agreeing infrastructure provision on the site, particularly with Scottish Water, but these are approaching resolution. The Scottish Government More Homes Division are prepared to front fund some of the cost of infrastructure required for future phases of affordable housing, due to the strategic importance of this development.

Banff Road, Keith Phases 1 and 2

- 6.3 Handover and occupation of the vast majority of Phase 1 development was achieved during Apr/May 2023. Radon testing processes and building control approvals are proceeding on the remaining 2 properties. The Council has taken advice from an independent Radon consultant regarding risk and ongoing testing and maintenance, and has a legal agreement with Springfield Properties which seeks to protect the Council from any ongoing liability arising from the presence of radon gas in the properties, and the mitigation measures which have been fitted.
- 6.4 There is an opportunity to bring forward part of Phase 2 (26 units) into the 2023/24 development programme. This has the support of the Scottish Government as it will minimise the potential loss of grant funding to Moray the 2023/24 programme. Phase 2 development was included in the SHIP approved in November 2022, and in the HRA Business Plan reviewed in February 2023. Proposals will be presented to this Committee for approval once the outputs from the Rent Restructure project are clearer, during summer/autumn 2023.

7. LAND AND BUILDINGS TRANSACTION TAX CONSULTATION

- 7.1 On 8 February 2023, the Scottish Government issued a consultation on the Additional Dwelling Supplement (ADS) which included a variety of proposed amendments to Land and Buildings Transaction Tax (LBTT) and ADS. Most of the questions related to private sector conveyancing and were not directly relevant to the Council's acquisition of properties or development sites. However, the consultation proposed that Councils cease to be liable for LBTT, providing parity with RSLs.
- 7.2 Therefore, in answer to the question "Local Authorities, Do you think that the proposed amendments provide for the Scottish Government's intended change?", where only a yes/no response was required, the Council's response of "yes" was submitted within the deadline, on 5 April 2023.
- 7.3 In answer to a question relating to the impact on equal opportunities and human rights the following response was submitted;

"The relief from LBTT and ADS ... will have a positive impact on local authority budgets, particularly on the resources available to increase provision of affordable housing. Given the priority assigned in Moray's Local Housing Strategy to increasing provision of affordable housing for older and disabled people, the resulting increase in resources will have a positive impact on those needs groups".

8. MORAY COUNCIL ACQUISITIONS PROGRAMME

- 8.1 On 15 November 2022, this committee approved the Strategic Housing Investment Plan 2023/24-2027/28 (SHIP) (paragraph 10 of the Minute refers). The SHIP provides grant funding facility for the Council to purchase properties from the open market for provision of affordable housing, where strategic and value for money criteria have been met.

- 8.2 Officers recommend an expansion of those criteria to facilitate acquisitions which will meet housing need in areas where housing construction is constrained. It is envisaged that this change would increase affordable housing stock in rural areas in particular e.g. Speyside. The criteria would be amended to:

Open market purchases will be prioritised as follows:

1. Where the purchase will assist the Council with delivery of SHQS/ EESSH/ capital improvements
2. *Where the purchase will assist the Council to meet housing need in pressured areas and/or where new affordable housing development is constrained.*
3. Where the purchase will assist the Council to meet specialist housing need
4. Where the purchase will bring an empty property back into occupation

9. **SUMMARY OF IMPLICATIONS**

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Addressing the shortage of affordable housing in Moray is a key priority of the Corporate Plan and 10 Year Plan, the Council's Local Housing Strategy and Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan. The Strategic Local Programme reflects priorities for investment in the provision of new affordable housing to meet need identified in the Local Housing Strategy.

The affordable housing programme supports the aims of the 10 Year Plan by providing new affordable housing for an increasing population and a growing and diversifying economy. The target of 50 Council house completions per annum will be delivered within the investment planning and funding framework provided by the programme.

(b) Policy and Legal

The affordable housing supply programme contributes to meeting the Council's statutory duties to address homelessness and meet housing need in Moray.

(c) Financial implications

The report provides details of the resources being made available by the Scottish Government to fund affordable housing in Moray. The Council has agreed that 50 new council houses will be built per annum. The current HRA Business Plan has made provision for the level of borrowing required to fund the Council's housebuilding programme. The increasing cost of the programme may lead to a higher level of borrowing than anticipated in the business plan and therefore reach thresholds earlier than anticipated. Dialogue has taken place with Finance regarding the approach to managing this and modelling of implications and consideration of mitigations will take place to inform any decision to bring forward developments.

(d) Risk Implications

There is a risk that slippage or reduction in the programme will result in loss of Scottish Government More Homes Division grant funding to Moray, with the funds diverted to other LAs.

The programme may be impacted by economic and market conditions and site specific issues as developments proceed. In particular, the increase in interest rates will impact on the cost of borrowing. There are processes in place to manage these risks and mitigations considered.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

The report details the ongoing programme for development of additional affordable housing in Moray in response to strategic needs and specifically the Council new build programme to increase the Council's own supply of affordable housing.

(g) Equalities/Socio Economic Impact

The housing needs of equalities groups are identified in the Local Housing Strategy (LHS). The Moray Affordable Housing Programme seeks to deliver the housing priorities contained in the LHS.

(h) Climate Change and Biodiversity Impacts

The aims of the affordable housing programme are closely aligned to the Council's Climate Change Strategy, and Local Heat and Energy Efficiency Strategy (LHEES).

(i) Consultations

This report has been subject to consultation with the Depute Chief Executive (Economy, Environment and Finance), the Head of Housing and Property Services, Legal Services Senior Solicitor (Georgina Anderson), the Property Asset Manager, the Head of Economic Growth and Development, the Strategic Planning and Development Manager, the Chief Financial Officer and Lindsey Robinson, Committee Services Officer.

10. CONCLUSIONS

10.1 The report provides details of an update on the current and future affordable housing investment programme. The report also provides an update on the Council's own new build and acquisition programme, including an update on procurement of housing at Bilbohall, Elgin.

Author of Report:	Fiona Geddes, Housing Strategy and Development Manager
Background Papers:	with author
Ref:	SPMAN-1285234812-1339



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: ALLOCATIONS POLICY ANNUAL PERFORMANCE REPORT 2022/23

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 To inform the Committee of the performance of the Council's Allocations Policy during 2022/23.
- 1.2 This report is submitted to the Committee in terms of Section III G (11) of the Council's Scheme of Administration relating to the preparation and implementation of strategic housing plans.

2. RECOMMENDATION

2.1 It is recommended that the Committee:

- i. **considers and notes the performance identified within the report; and**
- ii. **agrees the allocations quotas for 2023/24 detailed at Paragraph 5.5 of this report.**

3. BACKGROUND

- 3.1 The Communities Committee approved a revised Allocations Policy on 5 February 2019 (Paragraph 9 of the Minute refers) for implementation on 1 May 2019.
- 3.2 The Communities Committee approved Moray's Local Housing Strategy (LHS) 2019-2024 on 2 April 2019 (Paragraph 6 of the Minute refers). The LHS sets out the Council's approach to addressing housing need and homelessness, property condition and fuel poverty. The operation of the Allocations Policy is a key factor in the delivery of LHS outcomes.

- 3.3 The Communities Committee has considered performance monitoring information on the operation of its Housing Allocations Policy annually since 2005. The most recent report was presented to this Committee on 21 June 2022 (Paragraph 9 of the Minute refers).

4. ANALYSIS OF HOUSING LIST ALLOCATION AND DEMAND TRENDS

- 4.1 Statistical information on the operation of the policy is presented in **APPENDIX I**. The statistics for 2020/21 and 2021/22 should be viewed in the context of the national response to the COVID-19 pandemic and associated restrictions in activity:
- 4.2 **Table 1** provides details of the housing list for the last 5 years. This shows that the Transfer List remains relatively stable, the Waiting list has been reducing slightly over 5 years, but that the Homeless list has increased by 17% between March 2022 and March 2023.
- 4.3 Housing List trends are being considered in depth as part of the development of Housing Needs and Demand Assessment (HNDA) and forthcoming Local Housing Strategy (LHS) 2024-2029, and will be reflected in the revised Allocations Policy currently in development.
- 4.4 **Table 2** details the size and type of housing required by applicants on the housing list. Over the past 5 years, there have been significant increases in demand for larger 4+bed family sized housing and in amenity/accessible housing, with corresponding reductions in demand for 2 and 3 bed general needs housing.
- 4.5 The increased demand for accessible housing is consistent with the projected demographic changes in Moray and the ageing population. Demand for sheltered housing has remained almost unchanged despite demographic changes.
- 4.6 Approaches to increasing supply of affordable housing detailed in the Local Housing Strategy and Strategic Housing Investment Plan are aligned to these changes in demand.
- 4.7 **Table 3** provides summarised information on the 1st area preferences of current housing list applicants. It shows that area preferences are broadly in proportion to the number of dwellings (all tenures) in each Housing Market Area.
- 4.8 Applicants who apply for housing are able to state where they want to live. This allows them the choice of any, or all, of the 62 lettings areas across Moray. These choices can be driven by urgency and availability, rather than a desire to live in a particular area. To support strategic planning for affordable housing, applicants are asked separately to state their 1st, 2nd and 3rd areas of preference (i.e. where they would ideally choose to live). This second, strategic question is the source used to inform the Council's approach to delivery of new affordable housing across geographical areas, and is reflected in the Strategic Housing Investment Plan (SHIP).

4.9 **Table 4** provides details of the number of re-lets from Council stock in 2022/23. When this is compared to the housing list as at 31 March 2023, it shows that there were 6.5 applicants on the list per re-let (6:1) during 2022/23. However this pressure varies greatly across house types and sizes:

- 1 bed general needs (63:1);
- 2 bed general needs (5:1);
- 3 bed general needs (8:1); and
- 4 bed (32:1).

4.10 The table also shows that there is no evidence of significant migration between Housing Market Areas (HMA).

4.11 **Table 5** shows that, there is an increasing trend in re-let rates, as intended, with the introduction of the revised Allocations Policy in May 2019. Increasing the numbers of vacancies from existing stock will assist the Council to successfully deliver the Rapid Rehousing Transition Plan. Although the number of relets had reduced in 2020/21, this can be attributed to the COVID19 restrictions on house-moves in all tenures for part of 2020.

5. ALLOCATIONS QUOTAS FOR THE HOUSING LIST

5.1 The housing list consists of three separate lists (waiting, transfer and homelessness). The Homeless List includes those who have been assessed as statutorily homeless, the Waiting List consists of applicants who are waiting for a council house, and includes current RSL tenants; and the Transfer List of those who are current Council tenants and who need or want to move. The proportion of allocations to be made to each list is determined annually by Committee.

5.2 Following the cessation of the Grampian wide common housing register Apply4Homes, the Council's online housing application form was implemented on 29 April 2021. The implementation process required all housing list applicants to reregister on the new system. This process has resulted in a reduction in the number of applications from households with no connection to Moray. Although the totals presented in Table 1 have reduced, there is no significant change in the number of households who do have a local connection to Moray, i.e. those who would be most likely to receive an offer of housing.

5.3 **Table 6** shows the proportion of allocations made to applicants from the 3 housing lists, over the last 5 years.

5.4 The Rapid Rehousing Transition Plan aims to minimise the use of temporary accommodation and provide permanent housing options to homeless households as quickly as possible. The Homeless List quota proposed below is intended to strike an appropriate balance between the need to implement the Rapid Rehousing Transition Plan, and the need to minimise any unintended consequences of increased quota i.e. that the Homeless List would be seen by applicants as the quickest route into permanent housing, and would significantly increase as a result.

- 5.5 Historically this Committee has taken a pragmatic view and agreed quotas intended to strike an acceptable balance between all lists. The quotas proposed for 2023/24 have been modified slightly to reflect the reduction in the Waiting List and increase in the Transfer list (see **APPENDIX I**, Table 1). An increase in the Transfer List quota will generate more availability of housing and so assist the Council to deliver the Rapid Rehousing Transition Plan. The quotas are illustrated in the table below:

List	Target (existing)	Target (alternative)	Tolerance
Homeless List	50%	50%	+/-5%
Waiting List	32%	30%	+/-5%
Transfer List	18%	20%	+/-5%

6. **NEW BUILD LETTINGS PLAN**

- 6.1 The new build lettings plan was introduced in 2015. The Plan sets out how the Council will deviate from the Allocations Policy in identifying the first tenant in new build properties, with the aim of establishing successful, sustainable new communities, and this includes deviation from Housing List quotas.
- 6.2 **Table 7** shows there were 8 Council new lets during 2022/23. Acquisitions completed shortly before year end were not let by 31 March 2023.
- 6.3 **Table 8** shows the proportions of allocations from each List, and that 47% of new lets were allocated to Transfer List applicants.

7. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

Moray 2027 and the Service Plan identify the need to address the shortage of affordable housing and tackle homelessness. The Allocations Policy seeks to make the best use of the Council's housing stock and promote healthier citizens and more people living well in their communities.

(b) **Policy and Legal**

The primary legislation governing allocations of Council housing is contained within the Housing (Scotland) Act 1987 as amended by the Housing (Scotland) Act 2001, the Homelessness etc. (Scotland) Act 2003 and the Housing (Scotland) Act 2014. This legislation provides the Council with the discretion to develop allocation and local letting policies in line with local priorities.

The Scottish Social Housing Charter sets out standards against which the Scottish Housing Regulator will assess local authorities as part of its inspection regime.

(c) Financial implications

There are no financial implications arising from this report.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no impacts in relation to equal opportunities or the socio-economic duty as the purpose of the report is to inform Committee on performance.

(h) Climate change and Biodiversity Impacts

There are no climate change and biodiversity implications arising from this report.

(i) Consultations

Consultation on this report has taken place with the Depute Chief Executive (Economy, Environment and Finance), Head of Housing and Property, Housing Needs Manager, Housing Services Manager, Chief Financial Officer, Equal Opportunities Officer, Georgina Anderson (Legal Services Senior Solicitor), and Lindsey Robinson (Committee Services Officer).

8. SUMMARY OF IMPLICATIONS

- 8.1 This report presents the annual review of the operation of the Council's Housing Allocations Policy. It also presents proposed allocations quotas for 2023/24. The quotas proposed are intended to complement implementation of the Rapid Rehousing Transition Plan.**

Author of Report:	Fiona Geddes, Housing Strategy and Development Manager
Background Papers:	with author
Ref:	SPMAN-1285234812-1340

Table 1: No of applicants on the Housing List at year end

List	2018/19	2019/20	2020/21	2021/22	2022/23	Change since 2018/19 (No)	Change since 2018/19 (%)
Homeless List	121	92	101	97	114	-7	-5.8%
Housing Waiting List	2,474	2,989	2,425	2,754	2,278	-196	-7.9%
Transfer List	552	628	533	621	559	7	1.3%
Total	3,147	3,709	3,059	3,472	2,951	-196	-6.2%

Table 2: Size and type of property sought by applicants at year end

Property size and type	2018/19	2019/20	2020/21	2021/22	2022/23	Change since 2018/19 (No)	Change since 2018/19 (%)
1 bed general needs	1,210	1,427	1,180	1,347	1,132	-78	-6.4%
1 bed amenity/ wheelchair accessible	325	526	418	487	409	84	25.8%
2 bed general needs	701	713	590	682	597	-104	-14.8%
2 bed amenity/ wheelchair accessible	108	152	123	138	133	25	23.1%
3 bed general needs	437	518	442	466	367	-70	-16.0%
3 bed amenity/ wheelchair accessible	27	34	31	37	36	9	33.3%
4 bed general needs	146	201	168	195	153	7	4.8%
4 bed amenity/ wheelchair accessible	13	7	7	11	8	-5	-38.5%
5+ bed all types	42	58	48	68	64	22	52.4%
sheltered	58	73	52	41	52	-6	-10.3%
Total	3,067	3,709	3,059	3,472	2,951	-116	

Table 3: Where applicants wish to live – 1st Area Preference as at 31 March 2023

List	Buckie HMA	Elgin HMA	Forres HMA	Keith HMA	Speyside HMA	CNP HMA	Total
Homeless List	10	90	11	2	1		114
Transfer List	101	309	68	50	28	3	559
Housing Waiting List	306	1,298	382	148	122	22	2,278
Total	417	1,697	461	200	151	25	2,951
	14.1%	57.5%	15.6%	6.8%	5.1%	0.8%	100.0%
% dwellings (Source: HNDA Appendix 2)	16.8%	47.6%	18.0%	8.3%	8.0%	1.2%	100.0%

Table 4: Re-lets by property size and type 2022/23 (secure tenancies only)

Property size and type	Buckie HMA	Elgin HMA	Forres HMA	Keith HMA	Speyside HMA	CNP HMA	Total	ratio/ relative pressure (lets vs demand)
Bedsit	6	0	5	0	0	0	11	
1 bed general needs	4	8	2	2	2	0	18	62.9
1 bed amenity/ wheelchair accessible	23	66	14	17	10	1	131	3.1
2 bed general needs	29	54	20	12	17	0	132	4.5
2 bed amenity/ wheelchair accessible	19	35	8	1	4	0	67	2.0
3 bed general needs	16	13	6	7	4	1	47	7.8
3 bed amenity/ wheelchair accessible	3	7	1	5	2	2	20	1.8
4 bed all types	2	2	1	0	0	0	5	32.2
5+ bed all types	0	0	0	0	1	0	1	64.0
sheltered	8	11	6	0	0	0	25	2.1
Total	110	196	63	44	40	4	457	6.5
	24.1%	42.9%	13.8%	9.6%	8.8%	0.9%	100.0%	
% dwellings (Source: HNDA Appendix 2)	16.8%	47.6%	18.0%	8.3%	8.0%	1.2%	100.0%	

Table 5: Rate of relets to Council stock (turnover) (new lets excluded)

Council stock	2018/19	2019/20	2020/21	2021/22	2022/23	Change since 2018/19 (No)	Change since 2018/19 (%)
Council stock	6,122	6,149	6,251	6,297	6,342	220	3.6%
No of relets	377	470	340	445	457	80	21.2%
Rate of relets	6.2%	7.6%	5.4%	7.1%	7.2%		

Table 6: Allocations by Housing list (secure tenancies)(relets and new lets)

List	2018/19		2019/20		2020/21		2021/22		2022/23	
Homeless List	187	42.0%	256	51.4%	187	42.0%	256	51.4%	236	50.8%
Housing Waiting List	149	33.5%	143	28.7%	149	33.5%	143	28.7%	151	32.5%
Transfer List	109	24.5%	99	19.9%	109	24.5%	99	19.9%	78	16.8%
Total	445	100.0%	498	100.0%	445	100.0%	498	100.0%	465	100.0%

Table 7: Moray Council new build completions 2022/23 (new lets)

House type	Buckie HMA	Elgin HMA	Forres HMA	Keith HMA	Speyside HMA	CNP HMA	Total	
1 bed general needs		8					8	17.8%
2 bed general needs							0	0.0%
2 bed amenity/wheelchair accessible		1					1	2.2%
3 bed general needs		32					32	71.1%
3 bed amenity/wheelchair accessible							0	0.0%
4+ bed all types		4					4	8.9%
Total	0	57	0	0	0	0	45	100.0%

Table 8: Moray Council new lets at 31 March 2023

List	2019/20		2020/21		2021/22		2022/23	
Homeless List	5	17.9%	11	5	17.9%	12.1%	5	62.5%
Housing Waiting List	6	21.4%	37	6	21.4%	40.7%	1	12.5%
Transfer List	17	60.7%	43	17	60.7%	47.3%	2	25.0%
Total	28	100.0%	91	28	100.0%	100.0%	8	100.0%



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: DECORATION ALLOWANCE POLICY

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report provides an update on the requirement to review the Decoration Allowance Policy, and presents the Committee with an amended Policy for approval.
- 1.2 This report is submitted to Committee in terms of Section III (G) 3 and 4 of the Council's Scheme of Administration relating to the management and maintenance of the Council's housing stock, and dealing with the allocation and letting of houses.

2. RECOMMENDATION

- 2.1 It is recommended that the Housing and Community Safety Committee:
 - (i) notes the need to review the Decoration Allowance Policy to reflect changes in operational practice and process as set in Section 3; and
 - (ii) considers and approves the amended Decoration Allowance Policy as set out in Section 4 and APPENDIX I.

3. BACKGROUND

- 3.1 The Decoration Allowance Policy was approved by Communities Committee on 19 March 2008 for implementation from 1 April 2008 (Paragraph 6 of the Minute refers). The policy outlined the circumstances under which the Council would help tenants to make good the decoration of their homes following a re-let or major works, by providing decoration vouchers, or by undertaking decoration where a tenant is unable to do so.
- 3.2 On 23 April 2013, the Communities Committee considered a further review of the original Decoration Voucher Scheme (Paragraph 7 of the Minute refers) and agreed to a pilot which aimed to:

- address procurement concerns;
 - achieve better value for money for the Council;
 - reduce administration in comparison to the previous voucher scheme; and
 - provide tenants with an improved level of service.
- 3.3 Following an appraisal of this pilot, which concluded that it was successful and highlighted the positive customer feedback achieved, the Communities Committee approved the Decoration Voucher Scheme on 17 December 2013 and it was adopted on a permanent basis from 1 April 2014 (Paragraph 8 of the Minute refers).
- 3.4 A pilot of the void management process was undertaken in 2019 which aimed to improve void re-let time, reduce void rent loss and allow properties to be allocated quicker and more efficiently. As part of this pilot, decoration to void properties was no longer carried out. These properties were left in a clean condition with basic preparatory work undertaken, and a decoration pack was provided to the incoming tenant to carry out their own decoration. The area housing officer would specify if the tenant had vulnerabilities which would require that the property be decorated for them, before sign up.
- 3.5 The success of this pilot resulted in changes to the Void Management Policy, which was updated, after agreement with the Head of Service, in August 2020 to take into account the changes implemented.
- 3.6 These operational changes mean that the Decoration Allowance Policy requires updating.

4. DECORATION ALLOWANCE POLICY

- 4.1 The revised Decoration Allowance Policy (**APPENDIX I**) sets out the framework required for addressing appropriate standards of decoration within Moray Council housing stock at various stages of a tenancy, to ensure compliance with the Lettings Standard and housing legislation.
- 4.2 The Housing (Scotland) Act 2001, (Section 27 and Schedule 4) states that landlords must carry out any necessary work within a reasonable timescale, and make good any damage caused by them in carrying out the work.
- 4.3 The Letting Standard sets out the minimum standard a property should meet upon re-let. It states that the internal decoration will be of an acceptable standard. No decoration is carried out to void properties unless the tenant requires the service due to any specific needs or vulnerabilities or the internal decoration is below that defined in the Letting Standard, for example is either:
- badly marked or smoke stained;
 - painted a dark or strong colour which would be difficult to cover; or
 - in poor condition, for example if the wallpaper is torn.
- The majority of voids will have basic preparation work done and paint packs will be awarded, on a room by room basis.
- 4.4 The Decoration Allowance Policy details the circumstances when decoration packs and compensatory payments will be issued and notes that they are intended:

- as a contribution towards the cost of materials and equipment needed to carry out internal decoration work, but may not always meet the full costs involved in decoration due to tenant choice of aesthetics, etc.
 - to offer the tenant more choice and flexibility when decorating their home.
- The policy specifies the eligibility criteria to be met in order for the Council to provide a decoration service and what it will entail.

4.5 Decoration packs are issued in the form of a decoration voucher. The voucher is valid for six months and can only be used with the nominated approved retailer, Johnstone's Trade Decorating Centre.

4.6 Compensation payments may be awarded as a result of damage to decoration following repair work, or as a payment towards remedial works following a planned improvement or upgrade. Compensation payments will be based on average trade prices and will increase annually in line with inflation. Compensation allowances for 2023 – 2024 are set out below.

	Decoration Allowance	Flooring Allowance
Kitchen upgrade	No allowance – kitchen will be painted after an upgrade	£100
Heating upgrade	£200	No flooring allowance required
Blinds payment (due to windows upgrade)	£100	No flooring allowance required

4.7 The changes to the Decoration Allowance Policy are required in order to reflect current operational practices and internal processes already in place. There is no requirement to consult with tenants or other stakeholders as there are no proposals which would significantly affect the tenant (Housing (Scotland) Act 2001, Section 54).

5. FUTURE ACTIONS

5.1 Subject to this Committee's approval of the amended Decoration Allowance Policy, an implementation plan will be developed. This plan will propose a "go live" date of 31 July 2023, and will involve updating supporting procedures and reviewing all information resources to reflect the agreed changes.

5.2 The compensation payments will be updated annually in line with inflation. Operational procedures will detail these costs to support staff in their delivery of the policy.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Corporate Plan and the Moray 10 Year Plan (LOIP) identify the need to provide high quality affordable housing, and priority 4 of the Local Housing Strategy aims to improve the condition and energy efficiency of social housing stock.

(b) Policy and Legal

There are no policy and legal implications arising from this report.

(c) Financial implications

The overall increased spend, arising from the higher compensation payments, will be absorbed from the current decoration budget held by the Housing Asset Team.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Climate Change and Biodiversity Impacts

There are no climate change or Biodiversity impacts arising from this report.

(i) Consultations

Consultation on this report has taken place with the Head of Housing and Property, Housing Services Manager, Housing Strategy and Development Manager, Building Services Manager, Officers within the Housing Service, Chief Financial Officer, Georgina Anderson (Legal Services Senior Solicitor) and Lindsey Robinson (Committee Services Officer) have been consulted and any comments have been incorporated into the report.

7. CONCLUSION

7.1 This report updates the Housing and Community Safety Committee on the requirement to review the Decoration Allowance Policy, which reflects changes in operational processes and practice, and seeks Committee approval of the Decoration Policy.

Author of Report:	Janice Heron (Housing Policy and Compliance Officer)
Background Papers:	Held by author
Ref:	SPMAN-1285234812-1331



Moray Council

Housing & Property Services

Decoration Allowance Policy

1. Scope of policy

- 1.1 This policy sets out the framework for addressing appropriate standards of decoration within Moray Council housing stock at various stages throughout the tenancy. This policy applies to all tenants who have a [Scottish Secure Tenancy \(SST\)](#) or a [Short Scottish Secure Tenancy \(SSST\)](#) with the Moray Council.
- 1.2 Managers and Officers within Moray Council's Housing Service will have the discretion to authorise and issue decoration packs and compensatory allowances to new and existing tenants in certain circumstances, to ensure the standard of decoration is acceptable and meets [Moray Council's Letting Standard](#).

2. Strategic Context

- 2.1 The Decoration Allowance Policy will assist the Council to meet the aims and priorities of its [Local Housing Strategy 2019 – 2024](#), to improve the stock condition and energy efficiency of housing in the social sector, as well as the Moray 2027 - Corporate Plan.

3. Objectives and principles of the Policy

- 3.1 The overall aim of Moray Council's Decoration Allowance Policy is to ensure tenants receive assistance towards the cost of decorating their home while Moray Council, as a social landlord, ensure the efficient and effective maintenance of the Council's housing stock.
- 3.2 The specific objectives of the Decoration Allowance Policy are to:
 - provide clear guidance regarding the use and authorisation of decoration packs and compensatory payment allowances;
 - ensure the council fulfils its legal duties as a landlord;

- ensure any disrepair or decoration work required following repairs or upgrade works, are remedied to meet the [Moray Letting Standard](#);
- publicise the terms of the policy to enable a wider understanding by tenants, staff and the public; and
- give clear guidance on how disputes will be dealt with.

3.3 The principles underpinning the policy are:

- the Council will provide internal supporting operational procedures for staff, incorporating agreed good practice to ensure consistency;
- staff training will be provided to ensure that staff are equipped to carry out the roles expected of them;
- communication with tenants and service users will be in 'plain language'; and
- performance will be monitored to ensure the policy is being adhered to.

3.4 Decoration packs and payments are intended:

- as a contribution towards the cost of materials and equipment needed to carry out internal decoration work, but may not always meet the full costs involved in decoration due to tenant choice of aesthetics, etc.
- to offer the tenant more choice and flexibility when decorating their home.

3.5 The award of a decoration pack or compensatory payment does not remove the need for tenants to adequately insure the contents of their homes from damage.

3.6 The award of a decoration pack or compensatory payment does not remove the need for staff, carrying out work on behalf of the Council, to take adequate care to ensure that damage does not occur.

4. Legal Provisions, Regulations and Standards

4.1 Moray Council will ensure that the Decoration Allowance Policy complies with current legislation, regulatory requirements and promotes good practice.

Landlord responsibility to “make good”

4.2 The [Housing \(Scotland\) Act 2001](#) sets out the main requirements of the policy:

- [Section 27](#) and [Schedule 4](#) states that landlords must carry out any necessary work within a reasonable timescale and make good any damage caused by them in carrying out the work.
- [Section 30](#) explains the right to compensation for improvements when a tenancy comes to an end. Compensation costs will be assessed in line with regulations from the [Secure Tenants \(Compensation for improvements\) \(Scotland\) Regulations 1994](#).

4.3 The Council require any contractor to 'make good' any damage that they may have caused e.g. repair and prepare surfaces for redecoration, but not to redecorate.

Tenant responsibility for internal decoration

4.4 Paragraphs 2.3 and 5.17 of Moray Council's [Scottish Secure Tenancy Agreement](#) (SST) and [Short Scottish Secure Tenancy Agreement](#) (SSST) state that the tenant must take reasonable care:

- to prevent damage to the decoration of the property (this includes the tenant's household and any visitors to the property); and
- of the house, which includes carrying out minor repairs and internal decoration.

Tenants are advised of these responsibilities when signing their tenancy agreement and during their tenancy.

4.5 Other relevant legal provisions and guidance include, but are not restricted to, the following:

- [General Data Protection Regulations \(GDPR\)](#) and the [Data Protection Act 2018](#) - The Council will ensure that any information obtained will be processed and used accordingly.
- [Equality Act 2010](#) – The Council will aim to ensure that it does not discriminate against someone because of their protected characteristics.
- [Human Rights Act 1998](#) – The “right to respect for private life”, (article 8 of part I, rights and freedoms) and “protection of property”, (article 1 of part II, the first protocol) apply, however the safety of tenant's would

provide an objective justification with these rights, due to it being a proportionate means to a legitimate aim.

- [The Scottish Social Housing Charter](#) identifies various outcomes that are relevant. Outcome 4, “Quality of Housing” ensures that tenants’ homes are clean, tidy and in a good state of repair when they are allocated. The “Repairs, maintenance and improvements” outcome (outcome 5) sets out that tenant’s homes should be well maintained, and landlords must provide repairs and improvement services that safeguard the value of their assets. The “Value for Money’ outcome (outcome 13) covers the management of housing services and makes sure that tenants receive services that provide value for rent and any other charges they pay.

5. Decoration allowances

5.1 Decoration allowances will take the form of either:

- a voucher for a decoration pack towards paint and decoration materials; or
- a compensation payment towards decoration or remedial works following a planned improvement or upgrade.

5.2 The size of decoration pack a tenant is eligible for will depend on the number and size of the rooms that need decorated and will be calculated on a room by room basis.

5.3 Decoration allowances may be allocated in the following circumstances and will be issued at the discretion of the area housing officer who will assess the property for damage:

- in cases where a tenant moves into a newly allocated Council property and the standard of decoration is below that defined within the [Moray Letting Standard](#);
- where repairs have been carried out by the Council, or by a contractor working on behalf of the Council, and this has caused excessive damage to the interior decoration of the property; and
- following any planned maintenance or improvement work carried out by the Council, or by a contractor working on behalf of the Council, where it is

deemed necessary for a decoration allowance to be issued, for example, following the installation of a new heating system.

5.4 For the purpose of awarding any allowance, extensive damage may mean partially stripped rooms, badly torn wallpaper that would prove unacceptable to live with, walls poorly painted where extensive work is required to correct, and so on.

5.5 A decoration allowance will not be awarded:

- where the existing tenant has caused damage or neglected the interior decoration of the property. Moray Council's [Rechargeable Repairs Policy](#) will apply in these circumstances;
- to change the interior decoration of a property because it is not the incoming tenant's personal taste (unless the decoration is a dark or strong colour that would prove costly to change, for example black);
- to act as payment after an incident a tenant should have been insured for;
- where a new tenancy is beginning as a result of a mutual exchange; or
- for a room where the Council, or its contractor, has completed decoration.

6. Decoration allowance for a new tenancy

6.1 [The Void Management Policy \(Section 7\)](#), refers to the letting standards and states that, with regard to decoration purposes:

- the property will be in a clean condition;
- paint packs will be assigned to all voids with the exception of those that have already been decorated; and
- internal doors, walls, skirtings and facings will be in an acceptable condition for decorating.

6.2 [Section 8 of the Void Management Policy](#) states that a post termination inspection will be completed on all voids. This inspection will assess the decorative standard of the property and review the level of paint pack to be granted to the new tenant.

6.3 [Section 12 of the Void Management Policy](#) confirms that only basic preparation work, and no decoration, will be carried out on void properties with paint packs being issued on a room by room basis.

6.4 Tenants being awarded decoration allowances will be sent their vouchers by email or post following their sign up, if it is a new tenancy. They will also be given a Johnstones decoration booklet with information on how to order their decoration packs and the conditions attached to their use.

7. Assistance to decorate

7.1 Where a tenant indicates that they will have difficulty carrying out decoration works themselves because of any particular needs, age, mobility or vulnerabilities, the Moray Council will provide a decoration service. Tenants who qualify for, and would like to use the service, can request it through their Area Housing Officer. This is usually identified during the viewing process. All sheltered housing properties where decoration is required will be decorated before the tenant moves in.

7.2 The Council's decoration service will:

- be available as an alternative to any decoration pack,
- only be available for the rooms which have been previously identified as requiring a decoration allowance during a void inspection ([Void Management Policy, Section 12](#));
- take the form of the application of emulsion paint from a limited choice of colours to walls, and white gloss paint to skirtings, fascias, doors and so on. The Council will not apply tenant's own wallcoverings and will not lay floor coverings.

7.3 To qualify for the decoration service the tenant(s) must:

- have difficulty carrying out decoration work themselves due to any particular need, age, mobility or vulnerability; and
- be in receipt of benefits such as Disability Living Allowance (DLA), Personal Independence Payment (PIP), Adult Disability Payment (ADP), Employment and Support Allowance, or Attendance Allowance; or
- be in receipt of other similar benefits paid to persons with physical impairments. Tenants will be required to verify receipt of benefits by showing their Award Letter, payment book and so on; or
- have special, social or medical reasons to have the decoration work undertaken by the Council. Moray Council will use its discretion to establish eligibility based on individual circumstances. Further information sharing may be required with NHS staff, Social Work and/or the Housing Support Team or any other appropriate professional. This may not be required where evidence is clearly visible; and
- have no adult member of the household, or other family members, who could reasonably be expected to carry out the work on the tenant's behalf. The Council will use its discretion to establish eligibility on this ground.

7.4 Tenants who qualify for the decoration service will be required to:

- agree that their tenancy will begin on the same date as it would have if they were receiving the decoration pack;
- give the Council, and/or their approved contractor, access to the property to carry out the decoration works;
- move personal possessions, as far as possible, especially ornaments, and other fragile or valuable items in preparation for the decoration works.

8. Decoration allowances following repair work

8.1 Moray Council may award a decoration allowance following response repair work carried out by the Council where the interior decoration has been damaged.

8.2 Where the damage is as a result of the neglect of a employee of the Council, or its contractor, then this matter will be dealt with on an individual basis through the [Complaints Procedure](#).

8.3 Once the repair work has been completed and the area housing officer has been informed of any damage to the decoration, an area housing officer will carry out an inspection to assess the property for a decoration allowance entitlement.

9. Compensation payments following planned maintenance or improvement works

9.1 Compensation payments will be based on average trade prices and index linked to increase annually in line with inflation. Full details of decoration allowance rates are detailed in the internal operational Decoration Allowance Procedures for staff and will be updated annually.

9.2 Following a kitchen upgrade:

- the kitchen will be painted by the Council, or approved contractor, with emulsion paint from a limited choice of colours, with white gloss paint to skirtings, fascias, doors and so on.
- a flooring allowance will be given. Rates will be detailed in the internal operational Decoration Allowance Procedures for staff and will be updated annually.

9.3 Following heating upgrades tenants will be provided with a compensation payment to compensate for any remedial work/decoration required.

9.4 Allowances for compensating tenants following planned maintenance or improvement works will be paid following the completion of the work by an automated payment into the tenant's bank account.

10. Use of decoration vouchers

10.1 Decoration vouchers for decoration packs will be valid for six months. The area housing manager has discretion to extend this time period, or re-issue another

voucher to replace the original voucher where the situation warrants it. Examples would include a family bereavement or prolonged illness.

- 10.2 Decoration vouchers can only be used with the nominated approved retailer, Johnstone's Trade Decorating Centre, and cannot be exchanged for cash or any other products. Tenants will be given a Johnstone's decoration booklet with information on how to order their decoration packs and the conditions attached to their use.
- 10.3 The Council will only reimburse retailers when their invoice is accompanied by 'spent' vouchers.
- 10.4 If, during a property inspection, the decoration of the property is unchanged or the tenant is unable to demonstrate that they have purchased decoration materials, either through the presence of the materials themselves or the receipts for the materials, the area housing officer may, with the authority of their area housing manager, recharge the tenant for some or all of the value of the decoration and flooring allowance.

11. Lost or stolen vouchers

- 11.1 Any lost, damaged or expired vouchers issued to the tenant for a decoration pack, will only be replaced at the discretion of the area housing manager following appropriate enquiries.

12. Review of decoration allowances

- 12.1 An annual update of all decoration/allowance rates will be carried out each year in line with inflation.

13. Review of decision and complaints

- 13.1 Any tenant who is not satisfied with the manner in which the Council, its contractor(s) or the approved retailer, has dealt with any aspect of the service they have received regarding decoration and / or flooring allowances has the right to have their case investigated.
- 13.2 In the first instance the tenant will write to the area housing manager stating their grievance. The area housing manager will investigate and respond in writing within 14 days of receipt of the request for the review.
- 13.3 If the tenant is not satisfied with the area housing manager's response, the area housing manager will refer the tenant to the Council's corporate complaints procedure.

14. Performance Monitoring

- 14.1 In order to comply with its service commitments, the Council will monitor the following:
- the number of tenants who received a paint pack when their tenancy began;
 - the costs involved in the issue of paint packs;
 - complaints or comments made around decoration / decoration packs during tenancy settling in visits. The comments and complaints are not reported and are few in number.
- 14.2 The supplier, (Johnstones), informs the Council when deliveries of paint packs are not made, with packs delivered to Council offices after two unsuccessful delivery attempts to the tenant(s).
- 14.3 Paint pack statements are received which show if paint packs have not been redeemed. This allows for monitoring of the service.
- 14.4 This policy will be reviewed in 2026.

Compensation costs for 2023 – 2024

	Decoration Allowance	Flooring Allowance
Kitchen upgrade	No allowance – kitchen will be painted after an upgrade	£100
Heating upgrade	£200	No flooring allowance required
Blinds payment (due to windows upgrade)	£100	No flooring allowance required



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: TEMPORARY ACCOMMODATION CHARGING POLICY REVIEW

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report advises the Housing and Community Safety Committee of the need to revise the methodology used when charging homeless households for temporary accommodation and presents a revised Temporary Accommodation Charging Policy.
- 1.2 This report is submitted to Committee in terms of Section III (G) (4) of the Council's Scheme of Administration relating to the allocation and letting of houses and homelessness.

2. RECOMMENDATION

2.1 It is recommended that the Housing and Community Safety Committee:-

- i) **notes the current practice and the requirement to review the Temporary Accommodation Charging Policy, as detailed in Section 3;**
- ii) **considers and approves the revised Temporary Accommodation Charging Policy, as set out in Section 5 and APPENDIX I for consultation;**
- iii) **agrees that a consultation exercise on the revised Temporary Accommodation Charging Policy is undertaken with key stakeholders, as set out in Section 6; and**
- iv) **agrees that an update report setting out the outcome of the consultation will be presented to this Committee in September 2023.**

3. BACKGROUND

- 3.1 The Council has a statutory duty to assist applicants who are homeless or threatened with homelessness as defined in the Housing (Scotland) Act 1987, as amended. These duties include the provision of temporary accommodation until such time as the Council has determined the outcome of their homeless application.
- 3.2 On 3 February 2015, the Communities Committee agreed to implement a revised charging policy for temporary homeless accommodation (paragraph 10 of the Minute refers).
- 3.3 Implemented on the 6 April 2015, the overall aim of the Temporary Accommodation Charging Policy was to maximise income where possible by setting rent levels at the Local Housing Allowance (LHA) rates with an additional service charge and making the provision of temporary accommodation fairer for all.
- 3.4 The LHA sets Housing Benefit entitlement for tenants in the private rented sector, which is typically higher than social housing rents. The LHA rate people receive when housed in temporary accommodation depends on the area they live in, the size and composition of the household and the type of accommodation used. The LHA rate was frozen from 2015 until April 2020 when an increase was applied as a part of a package of measures to support workers during the COVID-19 pandemic. The LHA rate was frozen again the following year and remains so.
- 3.5 The charging regime which applied in the Temporary Accommodation Charging Policy had been in place since April 2015 with no subsequent annual increase. The special meeting of Moray Council were advised on 1 March 2023 that the effect of this was that income generated remained static while costs have increased, particularly in light of the coronavirus pandemic and the cost of living crisis. This meant the temporary accommodation service had been increasingly operating at a deficit (Paragraph 7 of the Minute refers).
- 3.6 The special meeting of Moray Council on 1 March 2023 agreed an interim measure of increasing the rent and service charges by 27% (effective from 6 April 2023) which is the equivalent of the inflationary increase between April 2015 and April 2023 based on the Consumer Price Index (Paragraph 7 of the Minute refers).
- 3.7 In order to mitigate the temporary accommodation budgetary deficit, the special meeting were informed that it would be necessary to review the extent to which costs are recovered by rent and service charges with a comprehensive review of the Temporary Accommodation Charging Policy (Paragraph 7 of the Minute refers).

4. LEGISLATIVE CONSIDERATIONS

- 4.1 In accordance with the Housing (Scotland) Act 1987 Section 35(2) the local authority can require a homeless person to pay a reasonable charge for the

provision of temporary accommodation, as determined by the local authority. There is no definition of “reasonable” in the legislation or guidance. Methods for calculating charges, as well as the cost of temporary accommodation itself, varies greatly across Scotland.

- 4.2 When calculating temporary accommodation charges, local authorities should also have due regard to the Code of Guidance on Homelessness. Section 8.84 of the Code states that in deciding what is reasonable, account should be taken of what the applicant can pay in the longer term. In addition, the applicant should be informed in advance of the cost of the accommodation and should also be assisted when applying for benefit to cover the cost of such accommodation. The local authority should take account of, and advise of, the likely level of benefit when considering charges.
- 4.3 The Scottish Government updated the Temporary Accommodation Standards Framework in April 2023 which recommends that households are provided with:
- An assessment to consider whether temporary accommodation offered is affordable by the household.
 - A rent statement of charges, including any additional costs that are associated with temporary accommodation and how they are paid.

5. REVISED TEMPORARY ACCOMMODATION CHARGING POLICY

- 5.1 To address the issues outlined in Section 3, the Temporary Accommodation Charging Policy has been revised and is provided at **APPENDIX I** for consideration. The main policy changes are:
- rent levels are no longer set using the Local Housing Allowance rate and a management fee;
 - the service will operate on the basis of full cost recovery in order to mitigate against risk to the temporary accommodation budget;
 - the temporary accommodation charge is determined by a baseline rent, equivalent to the average council house rent for the size of property, plus a homeless service charge; and
 - determining what a reasonable sum to recover from those who may have affordability issues has been revised (as detailed in 5.5 below and Section 7 of the policy).
- 5.2 The baseline weekly rent charged will be set at the average council rent by property size. The baseline rent will be reviewed and updated annually. The Council's rents remain the lowest amongst local authority landlords in Scotland and amongst social landlords in Moray and offer tenants an affordable rent across the range of property types and sizes. In 2023-24, the average weekly council rents are as follows:

Property size	1 bedroom	2 bedrooms	3 bedrooms
Average rent	£61.70	£72.70	£84.15

- 5.3 The weekly homeless service charge will be determined by the cost of operating the service. A comprehensive review of the cost of operating the service has been undertaken by Officers. Originally the review encompassed all costs associated with providing temporary accommodation, including those

which are recovered against the general services budget. This would have required the homeless service charge to be set at £297 per week which Officers consider to be unreasonable. In developing what Officers consider to be a reasonable charge, costs offset against the general services budget have been discounted. The homeless charge will be based on costs attributed to the management and operation of temporary accommodation, maintenance and repairs and void periods. This figure has been divided by the number of temporary accommodation units to define the annual cost per property and thereafter the weekly amount of the homeless service charge established. For 2023-24, the homeless service charge will be £179.04 which Officers consider to be reasonable. This will be reviewed annually as part of the annual budget setting process.

5.4 The temporary accommodation charge for 2023-24 will be as follows:

Property size	1 bedroom	2 bedrooms	3 bedrooms
Temporary accommodation charge per week	£240.74	£251.74	£263.19

5.5 The Council will comply with legislative and statutory guidance as detailed above and in Section 4 of the policy and will strive to ensure that the temporary accommodation provided corresponds with the financial means of homeless households. A key aim of the revised policy for temporary accommodation is that it seeks to ensure that temporary accommodation is affordable to all. The Council will ensure that it:

- considers the ability of the household to pay the temporary accommodation charge;
- considers if the temporary accommodation charge is affordable for the household; and
- will assist the household to maximise their income via entitlement to benefits.

5.6 The Council will charge every household the same temporary accommodation charge, regardless of income. However in recognition of affordability for households, such as those who are working and not in receipt of benefits, the Council will continue to only recover an amount which it deems it can reasonably be expected to collect. When determining what a reasonable sum for recovery is, the size of property and the financial circumstances of the individual household will be considered. In setting a reasonable recovery amount, it is proposed that the baseline rent, plus 25% of the homeless service charge, will be a reasonable and affordable amount:

Property size	1 bedroom	2 bedrooms	3 bedroom
Restricted temporary accommodation charge per week	£106.46	£117.46	£128.91

5.7 It is proposed that the following transitional arrangements are applied in order to mitigate against any financial impact for current tenants living in temporary accommodation:

- if an existing tenant advises of an adverse financial impact due to the change, they will be provided with financial assistance. It is anticipated that this will have limited budgetary implications given the tenancy turnover rate in temporary accommodation (<6 months);
- when a property becomes void, it will be relet in line with the temporary accommodation charge, as set out in the policy. From implementation of the policy, all new tenants will commence on the updated charging arrangements.

5.8 Financial analysis projects that, following relevant deductions for void periods and debt provision, the policy changes will enable the service to make savings of £135k in the year ahead, which will help achieve the £230k savings identified in the Housing Revenue Account annual budget report to the special meeting of Moray Council on 1 March 2023 (Paragraph 7 of the Minute refers). It should be noted that the additional income will be dependent on tenants paying the temporary accommodation charge in full and where this does not happen, arrears recovery action undertaken to achieve maximum recovery.

6. CONSULTATION

6.1 It is proposed that a consultation exercise on the revised Temporary Accommodation Charging Policy is undertaken, providing homeless households and other relevant stakeholders with the opportunity to provide feedback.

6.2 The consultation process will involve:

- publication of the revised Temporary Accommodation Charging Policy, along with an easy to read policy, on the Council website;
- developing an online survey available on the Council's website and publicising it across the Council's social media platforms;
- contacting relevant stakeholders and requesting feedback, including:
 - tenants living in Moray Council temporary accommodation;
 - Register of Interested Tenants;
 - Moray Tenant's Forum; and
 - other relevant stakeholders

6.3 The consultation feedback will inform the policy development process. Following analysis and consideration of comments received, a further progress report with the outcome of the consultation process, along with a final Temporary Accommodation Charging Policy, will be presented to this Committee on 12 September 2023.

7. TEMPORARY ACCOMMODATION PROVISION

7.1 The Rapid Rehousing Transition Plan (RRTP) was presented to the Housing and Community Safety Committee on 6 September 2022 (Paragraph 8 of the Minute refers). The Council, along with its partners, are delivering a range of actions to deliver a preventative approach to reduce the number of people presenting as homeless while continually reconfiguring temporary accommodation provision. Central to this is the ongoing requirement to reduce reliance on temporary accommodation by supporting people to keep

the home they have or finding suitable permanent homes more quickly and reduce the time that homeless applicants occupy temporary accommodation.

- 7.2 The Service continues to review and reconfigure the supply of temporary accommodation in order to address the peaks and troughs in demand whilst meeting the needs of homeless households and ensuring that length of stay in temporary accommodation is minimised. Any increase in homelessness will directly impact on temporary accommodation, not only an increased pressure for accommodation provision but also the temporary accommodation budget.

- 7.3 As at 30 April 2023, there were 107 units of temporary accommodation, as follows:

Landlord	1 bed	2 beds	3 beds	Total
Council	21	59	14	94
RSL	8	5	0	13
	29	64	14	107

The total number of households accommodated in temporary accommodation shows a greater reliance on Council properties however this option continues to offer the Council best value both in terms of cost and flexibility.

8. **FUTURE CONSIDERATIONS**

- 8.1 As part of its approach to homeless prevention, the Scottish Government, aims to ensure that all homeless households spend the shortest possible time in temporary accommodation before moving to settled accommodation.
- 8.2 The Scottish Government has committed that it will work with its partners to identify ways to reduce the number of people living in temporary accommodation, including taking account of the recommendations and report by its Temporary Accommodation Task and Finish Group, published on 31 March 2023. This included a recommendation that further work on the cost and financing of temporary accommodation is required. Particularly that the Scottish Government should review the guidance to local authorities on setting charges for temporary accommodation by clearly defining the terms “reasonable charge” and “affordable”.
- 8.3 Following an extensive consultation exercise in 2021-2022, is anticipated that the Scottish Government will introduce legislation to strengthen homelessness prevention in the forthcoming year. The anticipated proposals include:
- introducing new duties on public bodies and landlords to prevent homelessness, particularly by asking and acting on a risk of homelessness;
 - extending the duty to take reasonable steps to prevent homelessness up to six months before it occurs; and
 - maximising the housing options available to people and prescribing what actions and reasonable steps may include, including steps to meet the needs of specific groups.
- 8.4 During the consultation, concerns were expressed that the proposals may result in an increase in the number of homeless referrals, which in turn would

mean an increase in demand for temporary accommodation and an increase in the associated costs, placing the budget under greater pressure.

- 8.5 Officers will continue to monitor the situation and respond accordingly and will update Committee on any implications that these proposals may have for the Temporary Accommodation Charging Policy.

9. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP)) identify the need to address the shortage of affordable housing and tackle homelessness. The Homelessness Policy will assist the Council to meet its strategic priority within the Local Housing Strategy which is “to prevent and alleviate homelessness.”

(b) Policy and Legal

The Temporary Accommodation Charging Policy will be subject to detailed consultation and further reporting to this committee in the course of the year. There are no legal implications arising from this report.

(c) Financial implications

The temporary accommodation budget continues to operate under pressure. Although the Temporary Accommodation Charging Policy is intended to minimise any risk and deliver savings identified at Section 5.8, Officers will ensure that budgets continue to be closely monitored and reviewed in future years.

(d) Risk Implications

Any increase in homelessness will directly impact on temporary accommodation, not only an increased pressure for accommodation but also the potential to increase the level of arrears.

There is a continued need to reconfigure the Council's supply of temporary accommodation and ensure that the length of stay in the accommodation is minimised. The Housing Needs Manager will be responsible for ensuring that the Council has the correct level and type of accommodation, alleviating the need for bed and breakfast accommodation, where possible, and that income from the for Temporary Accommodation Charging Policy is maximised.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

There are no property implications arising from this report.

(g) Equalities/Socio Economic Impact

An Equalities Impact Assessment on the revised Temporary Accommodation Charging Policy will be completed following consultation

with service users and key stakeholders and any issues will be presented to this Committee in September 2023.

(h) Climate Change and Biodiversity Impacts

There are no climate change/biodiversity impacts arising from this report.

(i) Consultations

Consultation on this report has taken place with the Head of Housing and Property, Housing Needs Manager, Supported Accommodation Manager, Housing Strategy and Development Manager and Officers within the Housing Service and with the Chief Financial Officer, Alistair Milne (Accountant), Norma Matheson (Benefits Manager) Georgina Anderson (Legal Services Senior Solicitor) and Lindsey Robinson (Committee Services Officer) have been consulted and any comments have been incorporated into the report.

10. CONCLUSION

10.1 This report presents a revised Temporary Accommodation Charging Policy for consideration and seeks approval to consult with stakeholders.

Author of Report:	Gillian Henly, Senior Housing Officer (Policy)
Background Papers:	Held by author
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MORAY COUNCIL
HOUSING AND PROPERTY SERVICES
TEMPORARY ACCOMMODATION CHARGING POLICY

- 1. Scope of the policy**
- 2. Strategic context**
- 3. Objective and principles of the policy**
- 4. Legislative and regulatory framework and guidance**
- 5. Affordability**
- 6. Charging for temporary accommodation**
- 7. Recovery of the temporary accommodation charge**
- 8. Recovery of arrears**
- 9. Review of decisions and complaints**
- 10. Performance monitoring**
- 11. Policy review**

1. Scope of the policy

- 1.1 This policy details the framework used by the Council in the charging of rent and service charges to homeless households for the provision of temporary accommodation.

2. Strategic context

- 2.1 The Temporary Accommodation Charging Policy will assist the Council to tackle homelessness, which meets the aims of Moray 2027, the Local Housing Strategy and the Rapid Rehousing Transition Plan.

3. Objectives and principles of the policy

- 3.1 The overall aim of the policy is to ensure that rent and service charges for temporary accommodation are set at an affordable level, provide financial sustainability and meet the cost of delivering temporary accommodation provision.
- 3.2 The specific objectives are:
- to use a cost effective and fair rent and service charge setting process;
 - to ensure temporary accommodation is an affordable option to all and does not act as a disincentive to work;
 - to ensure that sufficient income is generated to cover the cost of operating and managing temporary accommodation;
 - to ensure that rent and service charges are recovered to their maximum potential; and
 - to use recovery practices which take into account a household's income, whilst ensuring that those with the means to pay do pay.
- 3.3 The principles of the policy are to:
- comply with legislation and guidance and promote best practice;
 - ensure consistency in the provision of services and agreed practices uniformly across the service;
 - deliver good quality services which are efficient and effective; and
 - provide services that adhere to the principles of equal opportunities.

4. Legislative and regulatory framework and guidance

- 4.1 The Council will ensure that the Policy complies with current legislation and guidance and promotes good practice.
- 4.2 Councils have a statutory obligation to offer temporary accommodation when they assess a person or household as unintentionally homeless. The Housing (Scotland) Act 1987 Section 35(2) states that where this obligation exists, the applicant should pay a reasonable charge, as determined by the local authority in respect of the accommodation provided by the local authority, or that provided by another landlord but which is paid for by the local authority.
- 4.3 When carrying out functions under the Housing (Scotland) Act 1987 with respect to a homeless person and / or persons threatened with homelessness, local authorities are required to have regard to the Code of Guidance on Homelessness. Paragraph 8.84 of the Code states:
“In deciding what is reasonable, the local authority should take account of what the applicant can pay in the longer term. If an applicant is being asked to pay for accommodation provided by or paid for by the local authority then the applicant should be informed in advance of the cost of the accommodation. They should also be assisted when applying for benefit to cover the cost of such accommodation. The local authority should take account of, and advise of, the likely level of benefit when considering charges”.
- 4.4 The Temporary Accommodation Standards Framework April 2023 sets out advisory standards in relation to temporary accommodation and it recommends that the following actions are undertaken:
- A household assessment to consider whether temporary accommodation offered is affordable by the household.
 - Providing households with a rent statement of charges, including any additional costs that are associated with temporary accommodation and how they are paid.

4.5 The Scottish Social Housing Charter sets out standards including those which tenants and homeless people can expect from social landlords. Outcome 14 states:

"Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- a balance is struck between the level of services provided, the cost of the services and how far current and prospective tenants and service users can afford them.
- tenants get clear information on how rents and other money is spent, including details of individual items of expenditure above thresholds agreed between landlords and tenants."

4.6 These outcomes reflect a landlord's legal duty to consult tenants about rent setting, the importance of landlords taking account of what their current and prospective tenants and other customers are likely to be able to afford, and the importance that many tenants place on being able to find out how their money is spent. What is crucial is that discussions take place and the decisions made reflect the views of tenants and other customers.

4.7 The Council will seek to ensure that it complies with its duties under the Equalities Act 2010. Full consideration will be given to the Council's Public Sector Equality Duty (PSED). This requires public authorities to: eliminate discrimination, harassment and victimisation; advance equality of opportunity; and to foster good relations between persons who share a relevant protected characteristic and those who do not.

5. Affordability

5.1 The Council recognises that the cost of temporary accommodation is higher than for council housing. This can result in temporary accommodation being unaffordable for some households, for example those who are in employment or are not entitled to Housing Benefit.

5.2 In accordance with the Code of Guidance on Homelessness, the Council will:

- carry out a household assessment to consider whether accommodation is affordable for a household;
- consider the ability of any individual to pay charges in the longer term;
- give advance notice to an individual of any charges;
- assist an individual to apply for benefits to pay any charges; and
- take account of the likely level of benefit when considering charges.

5.3 The Council will seek to ensure that all tenants placed in temporary accommodation are given relevant information about entitlement to welfare benefits/income maximisation services in order to encourage optimum take up from tenants. It will encourage all those tenants who may be eligible for assistance to apply for appropriate benefits, for example Housing Benefit. This will assist to offset the effects of low income on the tenant's ability to pay. Where requested, the Council will provide assistance with the completion of application forms and progress claims.

6. Charging for temporary accommodation

- 6.1 The income generated from the charging regime for temporary accommodation will be equivalent to full cost of operating the service. It must be sufficient to cover the costs of the provision of temporary accommodation in relation to management, service delivery, maintenance and repairs and void periods of the accommodation.
- 6.2 The charging regime for temporary accommodation is the baseline rent and a homeless service charge:

Rent setting mechanism

- 6.3 Rent charges will be set in accordance with average council house rents, based on the size of property.
- The average council house rental figures will be reviewed and updated annually.

Homeless service charge

6.4 The homeless service charge is reflective of the cost of providing temporary accommodation to homeless households.

- Housing management costs associated with the provision of temporary accommodation;
- Maintenance costs, including the provision of furnishings, equipment and utilities;
- Void rent loss;
- Staff costs; and
- Repair and renewal costs.

The homelessness service charge will be reviewed annually in conjunction with the annual budget setting process and will endeavour to ensure that the income generated meets the full cost of service provision. Tenants will be provided with a breakdown of the service charges.

6.5 When setting the charge for temporary accommodation, the Council will charge every household the same level, regardless of income. However, in order to ensure that temporary accommodation is an affordable option to all, the Council will only seek to recover those costs that it can reasonably be expected to collect.

6.6 Tenants have an obligation under the terms and conditions of their occupancy agreement to pay the temporary accommodation charge timeously. In addition, it is a tenant's responsibility to notify the Council of any change in their circumstances that may affect their ability to pay their temporary accommodation charge. Tenants will be reminded of their responsibilities when they sign their occupancy agreement and during their tenancy.

6.7 Tenants will be provided with information about the temporary accommodation charge at the start of their stay in temporary homeless accommodation including:

- the amount they must pay (rent and the homeless service charge);

- the importance of making regular payments and / or claiming Housing Benefit if appropriate;
- the methods they can use to pay their temporary accommodation charge; and
- advice on what they should do if they fall into arrears.

6.8 The service will endeavour to ensure that:

- homeless households remain aware of their responsibility to pay the temporary accommodation charge on time and the potential consequences of non-payment;
- it actively promotes the maximisation of tenants' income through benefits take up and money / debt advice; and
- homeless households receive information, advice and support on maximising their income by claiming appropriate benefits, improving personal budgeting skills and dealing with debt.

6.9 The Housing Needs Manager will be responsible for ensuring that charges for temporary accommodation continue to reflect good practice and fairness for all.

6.10 As part of the review process for the temporary accommodation charge, tenants will be consulted on any proposed temporary accommodation charge increase.

6.11 Tenants will be provided with at least 28 days' written notice in the event of any increase in the temporary accommodation charge.

7. Recovery of the temporary accommodation charge

7.1 The Council recognises that some people may be unable to pay the amount of the temporary accommodation charge due for a variety of reasons. This may include poverty, or other reasons for financial exclusion, which the Council will endeavour to balance against its duty to recover the amount due.

- 7.2 It is a tenant's responsibility to pay, in full, the amount of the temporary accommodation charge that the Council seeks to recover.
- 7.3 Some tenants may be eligible to get assistance to pay the temporary accommodation charge through Housing Benefit. Tenants are responsible for applying for assistance and for pursuing any claims for assistance. The Council will provide advice and support to tenants upon request.
- 7.4 In situations, where a tenant may be eligible for assistance but chooses not to apply for assistance, or to pursue their claim, they will be expected to pay the full amount of the temporary accommodation charge that the Council seeks to recover.

Housing Benefit

- 7.5 Where a tenant in temporary accommodation is eligible for the full award of Housing Benefit, the Council will seek to recover 100% of the temporary accommodation charge.
- 7.6 Where a tenant is only eligible for partial payment of Housing Benefit, the Council will seek to recover a reasonable amount (i.e. the average Council house rent plus 25% towards the homeless service charge).
- If the amount of Housing Benefit the tenant receives is more than the reasonable amount, the Council will recover all of the Housing Benefit awarded.
 - If the amount of Housing Benefit the tenant receives is less than the reasonable amount, the tenant will have to pay the difference.
- 7.7 Where a tenant in temporary accommodation is working and/or is not eligible for Housing Benefit, the Council will only seek to recover a reasonable amount (i.e. the average Council house rent plus 25% towards the homeless service charge).
- 7.8 Discretionary Housing Payments (DHP) are payments that the Council can make to people who require further financial assistance to meet their housing

costs. The Housing Service will provide tenants with information and advice about DHP, including the application process.

Overpayment of benefits

- 7.9 Any overpayment of benefits to the tenant such as Housing Benefit will be recovered.

8. Recovery of arrears

- 8.1 The Council will aim to minimise the level of arrears in a sensitive but effective manner, to enable an affordable solution to be agreed as quickly as possible, ensuring that there is early intervention in all cases before a debt becomes unmanageable.
- 8.2 The Council will use all appropriate methods of communication open to it when contacting homeless households in arrears. Face to face visits will be the preferred default communication method, however letters, phone calls, virtual appointments (such as Near Me), e-mail and text messages may be used if appropriate.
- 8.3 Arrears recovery will be based on a staged escalation process, up to and including repossession for non-payment of the temporary accommodation charge.
- 8.4 The process will be based on a preventative approach that seeks to maximise tenants' entitlement to benefits and secure regular payments.
- 8.5 Once arrears have arisen, prompt action will be taken to ensure that the arrears do not increase. The Council will endeavour to make sure that current temporary accommodation charge is paid, and then ensure that the arrears are recovered.
- 8.6 In cases where the tenant cannot clear the arrears in a single payment, the Council will agree an affordable payment to reduce the arrears in realistic and sustained instalments over a specific period of time. Any repayment

agreement will be based upon a detailed assessment of the tenant's finances and ability to pay.

- 8.7 The Council will maintain a comprehensive record of all action taken and all contact with tenants in arrears.
- 8.8 Legal action is the last stage in the arrears process. The Council will use all legal options open to us if the recovery of arrears where the homeless household is wilfully and knowingly refusing to pay their temporary accommodation charge, up to and including eviction or the ending of accommodation.
- 8.9 Tenants will be kept informed of, and fully involved in, the legal process at all stages of legal action. Legal action may include issuing a Notice to Quit, giving the tenant 40 days' notice to leave the property, and thereafter seeking recovery of possession and seeking a payment decree. In all cases, the Council will seek recovery of expenses. Expenses may be awarded where the arrears have been repaid. The Council will refer the tenant to suitable agencies who provide advice or assist in representation at court hearings.
- 8.10 The decision to request legal action to recover possession of the property and payment of arrears will only be taken when all other means of arrears recovery have been exhausted.

9. Review of decisions and complaints

- 9.1 A review process exists for tenants who dispute the amount of temporary accommodation charge to be recovered, the level of arrears or any repayment plan. In the first instance, tenants can ask for an explanation from the Supported Accommodation Officer. If the tenant is not satisfied with the explanation provided, they can ask for an appointment with the Supported Accommodation Manager. The Supported Accommodation Manager will review the case and in the event of any dispute, will refer the case to the Housing Needs Manager.

- 9.2 The Council operates a Complaints Procedure that is available to any tenant who is not satisfied with the way in which their case has been dealt with. Details of the Complaints Procedure can be obtained on the Council's website and from the reception and information hubs.

10. Performance monitoring

- 10.1 The Council will monitor performance relating to the temporary accommodation charge as follows:
- the total amount of temporary accommodation income due;
 - the total amount of the temporary accommodation charge collected;
 - the amount of arrears, by band showing number of accounts and total arrears due for each band; and
 - the number of tenants evicted as a result of arrears.
- 10.2 The information detailed above will be reported annually to the Housing and Community Safety Committee. The reports will be public documents but the confidentiality of individual customers' circumstances will be maintained.
- 10.3 Other statistics will be collected from time to time for management and planning purposes.

11. Policy review

- 11.1 The Council will review the Temporary Accommodation Charging Policy in 2027 or earlier if required by legislative changes.



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: HOUSING AND PROPERTY SERVICES – UNAUDITED OUTTURN AS AT 31 MARCH 2023

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report presents the unaudited outturn position for the Housing Revenue Account (HRA) and General Services Other Housing Budget for the period up to 31 March 2023.
- 1.2 This report is submitted to Committee in terms of Section III G (1) of the Council's Scheme of Administration relating to the management of budgets.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee considers and notes the unaudited outturn for 2022/23 for the period to 31 March 2023, consisting of a surplus balance of £2,465k for the HRA and an underspend of £188k for General Services Housing & Property.**

3. BACKGROUND

- 3.1 The Council agreed the HRA Budget for 2022/23 at a Moray Council meeting on 1 March 2023 (paragraph 7 of the Minute refers). Housing and Property budget monitoring reports are presented quarterly.

4. HOUSING REVENUE ACCOUNT TO 31 MARCH 2023

- 4.1 **APPENDIX I** details the provisional and unaudited HRA budget position to 31 March 2023.
- 4.2 The main expenditure variances relate to:–
- 4.2.1 **Supervision and management** – there are a range of variations within this budget resulting in a net overspend of £298k. The main overspends were a write-off for abortive costs for a potential housing development (£268k), staffing costs mainly due to the higher than budgeted pay award (£50k), voids

(£19k), Council Tax (£14k) and other cumulative overspends of £17k, primarily due to recharges for use of pool cars. These were partly offset by underspends in software (£66k) and training (£15k).

4.2.2 **Sheltered Housing** – there was an overspend of £48k arising from increased energy costs and additional repairs & maintenance expenditure on fire protection and other improvements.

4.2.3 **Repairs and maintenance** – there was an overspend of £546k net in the repairs and maintenance budgets, which comprised of £330k in additional void spend due to volumes and cost per property exceeding projections, £122k in response repairs and £72k in planned/cyclical works. Whereas there were planned/cyclical overspends in electrical upgrades (£554k), which arose from the enhanced certification requirements, £153k in property fee allocations, £125k in fire risk works, arising from the latter phase of smoke alarm upgrades, and £127k in other miscellaneous works due to higher costs, these were partially offset by underspends in external decoration and fabric repair (£325k), asbestos (£256k), £199k in moss clearing and £180k in rainwater goods.

4.2.4 **Financing Costs** – there was an overspend of £457k due to the higher than anticipated cost of borrowing following interest rate increases.

4.2.5 **Bad and doubtful debts** – there was an underspend of £21k, arising from lower than anticipated write-offs.

4.2.6 **Capital from Current Revenue (CFCR)** – There was an underspend of £889k based on the estimated balancing figure to maintain level of HRA reserves. CFCR provision is used as a balancing figure for the overall budget and limits the requirement for borrowing to fund property improvements.

4.2.7 **Downsizing Incentive Scheme** – there was an underspend of £44k with fewer transfers than expected completed during the year.

4.2.8 **Service Developments** – there was an underspend of £294k arising from recruitment delays and changes to telephony at the Mosstodloch depot; these were partly offset by consultancy spend, including an additional refresh of the HRA business plan in response to inflation and interest rates moving significantly from baseline assumptions.

4.3 The income at 31 March 2023 was £91k higher than expected. This is due mainly to higher interest rates received for balances held (£106k) and additional tenant recharges (£63k), which were partially offset by delayed handover of new build housing in Keith (£73k) and lower income from garage rents (£5k).

4.4 The estimated HRA surplus balance at 31 March 2023 was £2,465K, which is in line with the projection.

5. **OTHER HOUSING BUDGET**

5.1 **APPENDIX II** provides details of the provisional and unaudited budget position to 31 March 2023.

- 5.2 **Planning and Development** consists of Improvement Grants and Affordable Housing budgets. There was an underspend of £19k arising from an underspend in discretionary grants of £12k and £7k in other minor budgets. Discretionary grants are given to homeowners for disabled adaptations with this budget managed by the Moray Integration Joint Board.
- 5.3 **Housing Management** relates to the Gypsy/Traveller budget. This shows an underspend of £8k due to reduced staffing expenditure (£4k) and reduced expenditure on supplies and services (£4k) owing to lower seasonal activity.
- 5.4 **Homelessness/Allocations** comprises of Homelessness and Housing Support services. There were variations across a range of budgets within this heading resulting in an underspend of £52k in this budget. This is comprised of an underspend of £339k in grant to be carried forward for future years and £26k in housing support following the closure of a commissioned service. These underspends were partially offset against by a £313k overspend in homeless persons, primarily temporary accommodation. This followed an increase in service demand in the final quarter of the year but also reflected increased costs against which service charges had not been uprated. Approval of a 27% uprating of service charges was approved in March and is expected to alleviate the potential for future overspends in this service.
- 5.5 **Miscellaneous General Services Housing** comprises of House Loans and the complex needs development at Urquhart Place, Lhanbryde. There was an underspend of £25k across these three budgets. The main reason for this was lower than anticipated repairs and maintenance costs relating to Urquhart Place (£32k), supplemented by an underspend in mortgage repayments (£1k); these underspends were partially offset by an overspend in grounds maintenance (£8k), which had been funded by a now exhausted maintenance bond with an RSL.
- 5.6 **The Building Services Budget** is reported in detail separately on this Committee's agenda. Whilst not finalised a modest £2k underspend is anticipated at this point.
- 5.7 **The Property Services Budget** includes the budgets for the Design Team and Property Resources. There was an underspend of £230k at year end, arising from increased rental income/lower costs in industrial estates (£120k), lower costs for central repairs and maintenance (£93k) due to planned and cyclical programmes being less than budgeted, £40k in management of held for sale assets, shared building costs (£17k) and other miscellany (£3k). This cumulative underspend was partially offset by overspends in Design & Construction (£14k), schools repair and maintenance (£37k) due to the level of reactive repairs and £8k in miscellaneous other budgets.
- 5.8 **Housing and Property Savings** – Staffing savings (£132k) below target were achieved by year end. This arose mainly to due to the filling of previously vacant posts.
- 5.9 **Housing and Property Allocations** – there was an overspend (£17k) primarily due to less income than budgeted for shared building service recharges.

5.10 **COVID-19** – there was a service underspend of £1k attributable to the Tenant Hardship Fund balance being carried forward.

5.11 As at 31 March 2023, the Other Housing Budget shows an unaudited net underspend of £188k.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan, the Council's Local Housing Strategy, the Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(b) Policy and Legal

There are no policy or legal implications arising from this report.

(c) Financial Implications

The financial implications of this report are considered in Sections 4 and 5 of this report and detailed in **APPENDICES I and II**.

(d) Risk Implications

Budget Managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from the Committee in line with Financial Regulations.

(e) Staffing implications

None.

(f) Property

None.

(g) Equalities/Socio Economic Impact

There are no equalities/socio economic impacts arising from this report.

(h) Climate Change and Biodiversity Impacts

There are no climate change/biodiversity impacts arising from this report.

(i) Consultations

This report has been prepared in close consultation with Finance staff. Consultation on this report has been carried out with the Chief Financial Officer, the Legal Services Manager, Senior Managers within Housing and Property Services and Lindsey Robinson (Committee Services Officer) who all agree the content of the report where it relates to their area of responsibility.

7 CONCLUSION

7.1 This report sets out the provisional and unaudited budget position for the HRA and General Services Housing budgets to 31 March 2023 and also comments on the variances on these budgets.

Author of Report:	Edward Thomas, Head of Housing and Property Services
Background Papers:	Held by author
Ref:	SPMAN-1285234812-1327

APPENDIX I

Housing Revenue Account

Budget Monitoring to 31st March 2023

Service Description	Annual Budget 2022-23	Actual to 31st Mar 2023	Variance to 31st Mar 2023
Expenditure	£,000	£,000	£,000
Supervision & Management	4,533	4,831	(298)
Sheltered Housing	25	73	(48)
Repairs and Maintenance	7,956	8,502	(546)
Financing Costs	4,096	4,553	(457)
Bad & Doubtful Debts	225	204	21
CFCR	4,303	3,404	899
Downsizing Incentive Scheme	72	28	44
Service Development	456	162	294
Total Gross Expenditure	21,666	21,757	(91)
Income	£,000	£,000	£,000
Non-dwelling rents	242	237	(5)
House rents	21,335	21,262	(73)
IORB	2	108	106
Other income	87	150	63
Total Income	21,666	21,757	91
Surplus / (Deficit) for the year	0	0	0
Accumulated Surplus Balance brought forward		2,465	
Estimated Surplus Balance at 31st March		2,465	

General Services Housing & Property

Monitoring to 31 March 2023

Service Description	Annual Budget 2022-23	Actual to 31 March 2023	Variance at 31 March 2023
	£'000	£'000	£'000
Planning & Development	255	236	19
Housing Management	20	12	8
Homelessness / Allocations	2572	2520	52
Miscellaneous General Services Housing	(20)	(45)	25
Building Services	0	(2)	2
Property Services	2411	2181	230
General Services Housing & Property Savings	(132)	0	(132)
General Services Housing & Property Allocations	(161)	(144)	(17)
Covid 19 - GS Housing & Property	39	38	1
General Services Housing & Property Total	4984	4796	188



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: HOUSING INVESTMENT 2022/23

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report informs the Committee of the actual audited outturn to 31 March 2023 for the Housing Investment Programme for 2022/23.
- 1.2 This report is submitted to Committee in terms of Section III G (3) of the Council's Scheme of Administration relating to the maintenance of the Council's housing stock.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider and notes the Housing Investment Programme audited outturn to 31 March 2023, as detailed in Section 3 and Appendices I to VI.**

3. BACKGROUND

Investment Programme

- 3.1 **APPENDIX I** shows income and expenditure for 2022/23. The figures show that an overall year-end expenditure of £16,292k was achieved, which represents a spend of 88% against the £18,539 annual budget, and a shortfall of £2,247k. The shortfall in investment is attributable to internal staff resourcing delays progressing a number of work activities along with procurement delays in a number of outsourced key investment areas such as window replacements and electrical testing.
- 3.2 The level of expenditure within the individual budget headings that make up the programme are shown in paragraphs 3.3 to 3.12 below. The expenditure figure represents all payments which have progressed through the finance system to 31 March 2023.
- 3.3 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £4,898k to 31 March 2023, works delivered, included 21,429 housing repairs and 482 void properties relet. An overspend of £411k occurred within this

budget due to increases in labour and materials costs, accompanied by an increased use of sub-contractors to support peak workload periods..

- 3.4 **APPENDIX III** shows expenditure on Estate Works. Spend of £496k was achieved to 31 March 2023 and represents an underspend of £169k which can be attributed to the Estate audits and walkabouts being suspended initially due to Covid 19 restrictions and then due to lack of staff resource. The Housing Asset Management Team have now began a programme of Estate Audits and are aiming for 100% complete by 31 August 2023. Works identified during Estate Audit and subsequent walkabout will identify the next financial year works to ensure budget spend.
- 3.5 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £444k was achieved to 31 March 2023. The shortfall in investment is attributable to underspends in the cyclical servicing and external painter work programmes that occurred due to internal staff resource shortage to develop programmes and a lack of available contractors.
- 3.6 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £10,834k was achieved to 31 March 2023 and represents 86% of the agreed programme level. An underspend of £1,696k occurred as a result of a lack of availability of external contractors, and internal staff resourcing issues that led to delays in the development of some key investment programmes.

Within the planned maintenance programme very limited spend was undertaken against the EESSH – Insulation heading. This was due to no programme being developed in sufficient time to allow a contractor to be appointed to undertake the work. On this basis, a decision was made to focus spend on deliverable programmes that led to over spends on the Kitchens and Bathroom and Central Heating budgets. The over spend in central heating and the completion of the EESSH - Warm Homes R4 and EESSH – Lcitr programmes delivered 522 replacement heating systems within the portfolio.

General Programme Updates

- 3.7 The programme to upgrade smoke alarms in all Council properties in accordance with statutory legislation saw 99% of properties completed as at 31 March 2023. The budget was slightly overspent to deliver this programme due to the reliance on sub-contractors.
- 3.8 The kitchen and shower contract budgets were both slightly overspent, however this delivered 143 replacement kitchens and 37 shower installations.
- 3.9 The budget for Disabled Adaptations was £360k and the spend at 31 March 2023 was £380k, resulting in 106% budget spend. This was an approved overspend to address the backlog of adaptation instructions which were accumulated during Covid 19 restrictions.
- 3.10 The Committee has been advised previously of the requirement for each property to have a valid Electrical Inspection Condition Report (EICR). The

budget was overspent by £554k, as a result of carrying out 957 EICR's along with subsequent remedial works. The remaining EICR work is planned to be completed by March 2024 subject to the availability of contractors to support the in house delivery programme.

Income and Expenditure for Private Sector Housing

- 3.11 **APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grant to 31 March 2023.
- 3.12 The legally committed figure in Category C of £137k represents 121% of the allocated budget. Spend to 31 March 2023 was £101k which represents 89.4% of the allocated budget.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The provision of new affordable housing, the maintenance of the Council's housing stock and dealing with homelessness are priorities identified within the Corporate Plan, the Council's Local Housing Strategy, the Strategic Housing Investment Plan (SHIP) and the Housing and Property Service Plan.

(b) Policy and Legal

Maintenance and improvement works are carried out in order to meet statutory legal requirements and in accordance with current relevant policies.

(c) Financial implications

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.12 above, with details of the Council house new build programme now being the subject of a separate monitoring report.

(d) Risk implications

Failure to expend agreed budgets may affect the Council's ability to maintain stock at the SHQS, replace life expired elements and attain the EESSH. Budget Managers are aware of responsibilities for managing budget allocations and approval for variance will be sought from Committee in line with the Financial Regulations.

(e) Staffing implications

There are no staffing implications associated with this report.

(f) Property

The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally.

(g) Equalities/Socio Economic Impact

There are no equalities issues associated with this report, as it is to inform the Committee on budget monitoring.

(h) Climate Change and Biodiversity Impacts

The continued investment in the Council Owned Housing Stock identified in this report will assist the Council to achieve its climate change targets by utilising a range of energy saving measures that incorporate zero or low carbon into design, construction materials and systems that support the Council in achieving The Energy Efficiency Standard for Social Housing (EESH).

(i) Consultations

Consultations have taken place with the Head of Housing and Property Services, Building Services Manager, Georgina Anderson (Legal Services Senior Solicitor), Chief Financial Officer, Lindsey Robinson (Committee Services Officer), and Home Improvement Services Manager, who all agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

- 5.1 The report shows that the Council's progress in respect of Housing investment for both the Council's housing stock and the private sector continues to recover following the Coronavirus pandemic. Increases in building sector labour, materials and plant costs has resulted an increase in individual budget spend. Delays to a number of key planned investment programmes has also led to a £2,247k shortfall in overall investment.**

Recovery of programmes is essential to enable the Council to address the identified priorities to improve the quality of housing stock in Moray. More specifically, the ongoing investment in the Council's housing stock enables it to achieve the Scottish Housing Quality Standard, allows for replacement of life expired elements and makes progress towards the attainment of both the Moray Standard and the Energy Efficiency Standard for Social Housing.

Author of Report: Neil Strachan, Property Asset Manager
Background Papers:
Ref: SPMAN-1285234812-1348

APPENDIX I

INVESTMENT PROGRAMME INCOME AND EXPENDITURE 2022/23

31 March 2023
(all amounts in £'000)

HOUSING INVESTMENT PROGRAMME

	Annual Budget 2022/23	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance
<u>Expenditure</u>						
Response, Gas & Void Repairs	4,487	4,898	109%	4,898	109%	-411
Estate Works	665	496	75%	496	75%	169
Cyclic Maintenance	857	443	52%	444	52%	413
Planned Maintenance (Revenue)	1,550	2,016	130%	2,016	130%	-466
Planned Maintenance (Capital)	10,610	8,438	80%	8,438	80%	2,172
Other Investment	370	380	103%	0	0%	370
Sub Total	18,539	16,671	90%	16,292	88%	2,247
<u>Other Capital Expenditure</u>						
New Build - Capital Costs	14,099			1,362		
Total	32,638			17,654		
<u>Funded by</u>						
HRA Revenue	7,929			7,854	99%	
Government Grant	11,200			1,011	9%	
Use of Council Tax Discount	600			0	0%	
Prudential Borrowing	6,866			8,789	128%	
Other Grants	1,740			0	0%	
Capital Receipts	0			0	0%	
C.F.C.R	4,303			0	0%	
Total	32,638			17,654	54%	

APPENDIX II

INVESTMENT PROGRAMME EXPENDITURE 2022/23

31 March 2023
(all amounts in £'000)

RESPONSE AND VOIDS REPAIRS

	Annual Budget 2022/23	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance
West Area Office	1,386	1,592	115%	1,592	115%	-206
East Area Office	1,074	1,015	95%	1,015	95%	59
Void House Repairs	1,427	1,731	121%	1,731	121%	-304
Gas Heating Repairs	600	560	93%	560	93%	40
	4,487	4,898	109%	4,898	109%	-411

APPENDIX III

INVESTMENT PROGRAMME EXPENDITURE 2022/23

31 March 2023
(all amounts in £'000)

ESTATE WORKS

	Annual Budget 2022/23	Expenditure plus commitments to date	% expenditure plus committed to date	Expenditure to date	% Budget spent to date	Budget balance
Garage Upgrades	25	1	4%	1	4%	24
Asbestos	360	104	29%	104	29%	256
Landscape Maintenance	50	9	18%	9	18%	41
Estates/Forum Upgrades	230	254	110%	254	110%	-24
Miscellaneous	0	128	0%	128	0%	-128
	665	496	75%	496	75%	169

APPENDIX IV

INVESTMENT PROGRAMME EXPENDITURE 2022/23

31 March 2023
(all amounts in £'000)

CYCLIC MAINTENANCE

	Projected Outturn					
	Annual Budget 2022/23	Expenditure plus commitments to date	% expenditure plus commitments to date	Expenditure to date	% Budget spent to date	Budget balance
Gas Servicing	360	319	89%	319	89%	41
Solid Fuel Servicing	15	14	93%	15	100%	0
Air Source Heat Pump Servicing	59	42	71%	42	71%	17
Smoke Detector Servicing	15	4	27%	4	27%	11
PPR & External Painterwork	358	33	9%	33	9%	325
General Servicing	50	30	60%	30	60%	20
Inspections/House Surveys	0	1	0%	1	0%	-1
	857	443	52%	444	52%	413

APPENDIX V

INVESTMENT PROGRAMME EXPENDITURE 2022/23

31 March 2023
(all amounts in £'000)

PLANNED MAINTENANCE & OTHER INVESTMENTS

	Projected Outturn					
	Annual Budget 2022/23	Expenditure plus commitments to date	% expenditure plus commitments to date	Expenditure to date	% Budget spent to date	Budget balance
Kitchens and Bathrooms	1,000	1,049	105%	1,049	105%	-49
Bathroom Replacements	175	17	10%	17	10%	158
Central Heating	1,500	2,096	140%	2,096	140%	-596
Doors and Windows	1,100	704	64%	704	64%	396
Smoke Alarms/Co Upgrades	375	406	108%	406	108%	-31
EESHS - Insulation	1,000	5	1%	5	1%	995
EESHS - Warm Homes R4 c/f	1,860	1,362	73%	1,362	73%	498
EESHS - Lcitr c/f	2,600	2,489	96%	2,489	96%	111
EESHS/EESHS 2	1,000	310	31%	310	31%	690
Sub Total (Capital)	10,610	8,438	80%	8,438	80%	2,172
Rainwatergoods	250	70	28%	70	28%	180
Rainwatergoods - Roof Moss Cleaning	200	1	1%	1	1%	199
Fire risk assessments	0	125	0%	125	0%	-125
Roof and Fabric Repairs	500	568	0%	568	114%	-68
Plumbing Upgrades	51	7	14%	7	14%	44
Electrical Upgrades	396	950	240%	950	240%	-554
Safety & Security	21	63	300%	63	300%	-42
Common Stairs	0	35	0%	35	0%	-35
Energy Performance Certs (EPC)	0	7	0%	7	0%	-7
Sheltered Housing	10	59	590%	59	590%	-49
Decoration Vouchers	72	58	81%	58	81%	14
Shower Installations	50	73	146%	73	146%	-23
Sub Total (Revenue)	1,550	2,016	14	2,016	15	-466
Disabled Adaptations	360	380	106%	380	106%	-20
Enabling Projects	10	25	250%	25	250%	-15
Sub Total (Other Investment)	370	380	103%	380	103%	-10
Total	12,530	10,834	86%	10,834	86%	1,696



REPORT TO: HOUSING AND COMMUNITY SAFETY COMMITTEE ON 27 JUNE 2023

SUBJECT: INFORMATION REPORT ON MORAY HOME ENERGY EFFICIENCY PROGRAMME

BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND FINANCE)

1. REASON FOR REPORT

- 1.1 This report provides the Housing and Community Safety Committee with details of progress on the Moray Home Energy Efficiency Programme.
- 1.2 This report is submitted to Committee in terms of Section III G (2) of the Council's Scheme of Administration relating to the exercise of all the functions of the Council as a housing authority.

2. BACKGROUND

- 2.1 The Energy Efficient Scotland programme (EES:ABS formerly known as HEEPS:ABS) is a Scottish Government initiative to tackle fuel poverty by improving the energy efficiency of existing private sector homes. The programme offers grant-in-kind with a focus on alleviating fuel poverty. The cost of the measures to households is discounted by a combination of Scottish Government grant and Energy Company Obligation (ECO) funding provided by utility companies. Only private sector households are eligible for HEEPS funding but ECO is available to all tenures, including council housing.
- 2.2 Since 2013/14, the Scottish Government has provided the Council with an annual funding allocation for the EES:ABS for energy efficiency and carbon reduction measures to homes in Moray. Details of the last 5 years allocations are provided below:

2018/19	£1.453m
2019/20	£1.436m
2020/21	£2.128m
2021/22	£1.914m
2022/23	£1.842m

Over the years, the Moray HEEPS programme has generally spent all, or almost all, of its budget allocation.

- 2.3 On 7 December 2021, Committee was provided with details of the HEEPS ABS programme for during 2019/20/21 (Para 8 of the Minute refers).
- 2.4 The Scottish Government's guidance on the scheme expects that programmes will take a "fabric first" approach and will focus mainly on insulation measures. During 2013/14 to 2021/22, the Moray programme has delivered measures to over 1,700 properties as shown below:

Year	Private sector	Council	Grampian Housing Assoc	Total
2013/14	293	43	0	336
2014/15	152	53	0	205
2015/16	135	0	0	135
2016/17	128	33	0	161
2017/18	96	11	10	117
2018/19	222	331	0	553
2019/20	70	48	0	118
2020/21	100	10	0	110
2021/22	0	0	0	0
Total	1,196	529	10	1,735

The UK Government's Flexible Eligibility Scheme allows councils to secure higher levels of ECO funding for energy efficiency improvements to households at the highest risk of fuel poverty and "vulnerability to cold". The Council has produced a Statement of Intent (Sol) which provides details of the households in Moray, which are eligible for "LA-flex". The key criteria are a combination of household income/qualifying welfare benefits and the type of construction of the property. The Council's Sol is published on its website at www.moray.gov.uk/StatementofIntent.

MORAY HEEPS:ABS PROGRAMME 2019/20 – 2020/21 OUTTURN

- 3.1 The Scottish Government's EES:ABS guidance requires councils to target their delivery programmes to households most likely to experience fuel poverty, specifically those living in Council Tax bands A-C properties.
- 3.2 Changeworks were appointed as managing agent to the EES:ABS programme on 3 November 2021. The agent is required to provide an end to end service from identifying and engaging with targeted householders; procurement of contractors; to quality assurance, monitoring, evaluation and reporting. The agent provides the resource and expertise required to procure and deliver a multi-measure programme involving specialist contractors, and provide specialist advice and support to householders. The agent will continue to use the Energy Saving Trust's Home Analytics database as the primary source of data to target properties at greatest risk of fuel poverty. There is an opportunity to identify Council owned properties of similar

construction where HRA funded works might be delivered in conjunction with EES:ABS works in a tenure-neutral manner.

- 3.3 There is an opportunity for households to self-refer and those who do not qualify are signposted to Home Energy Scotland's helpline for advice.
- 3.4 The Council's proposals for the 2021/22/23 programme sought to continue delivery of IWI to properties of stone construction, but for the first time, introduced cavity wall insulation, including extraction of degraded cavity wall insulation and refill, installation of airtsource heat pumps and/or photo voltaic solar panels (PV) with battery storage.
- 3.5 IWI involves adding a layer of insulation boarding to the inside of the external walls. The IWI programme focusses on pre-1930 and period properties with a stone facing external appearance, which, for planning and heritage reasons, are not considered suitable for EWI. Due to the cost, time and disturbance involved in removing fixtures and fittings, kitchen and bathroom areas are excluded from the scope of works. Similarly, period details such as cornicing and fireplaces are excluded from the scope of works. Routine decanting is not required and, in general, works can be completed within 4 days.
- 3.6 There was a significant underspend on the 2021/22 grant allocation due to COVID and subsequent supply chain issues. Only 3% of the 2021/22 grant allocation was been spent. However a great deal of preparatory work was completed allowing significant delivery to being using 2022/23 grant allocation.
- 3.7 The following measures were delivered over the 2 year programme. There is potential for multiple measures per property.

Measure	2021/22		2022/23*		Total
	Council	Private	Council	Private	
IWI	0	0	0	17	17
EWI	0	0	0	0	0
Cavity	0	0	11	15	26
PV/Battery	0	0	120	142	262
ASHP	0	0	120	12	132

*projected

4. **MORAY EES:ABS PROGRAMME 2023/24**

- 4.1 On 22 March 2021, the Scottish Government advised that the Council's EES:ABS offer of grant would be £1.769m. The Government have issued revised guidance associated with this funding, and advise that the target group for measures should continue to be fuel poor households in greatest need of assistance.
- 4.2 The Council's 2023/4 EES:ABS proposals for use of this funding allocation, submitted to the Government on 5 June 2023, set out a programme of works

to properties across Moray. The primary focus of the programme will be on insulation measures and a “fabric first” approach, with a secondary focus on “zero carbon first” through heating measures and microgeneration, where feasible and where it will result in reduced fuel poverty. EES:ABS funding should help secure an EPC rating of C or better by 2030 for all eligible homes.

4.3 The planned outputs for the 2023/24 programme are as follows:

Measure	Private sector	Council	Total
IWI plus ASHP/Solar PV/Battery storage	50	0	50
CWI plus ASHP/Solar PV/Battery storage	67	0	67
Total	117	0	117

IWI = internal wall insulation
 CWI = cavity wall insulation
 ASHP = air source heat pump
 PV = Solar photovoltaic panels

Qualifying Criteria and Customer Contributions

4.4 The measures in the 2023/24 programme will continue to be targeted to households most likely to be experiencing fuel poverty, living in properties within Council Tax bands A-C. The qualifying criteria are available on the Council’s website at www.moray.gov.uk/EESABSQualifyingCriteria.

4.5 Home owners will be expected to accept installation of all the measures required to bring their property up to the required EPC rating of C or as close to it as technically possible. Where the EES:ABS grant does not cover the full cost, households will be required to make up the difference from their own resources. Partial measures will not qualify for the scheme. Owners seeking to raise funding for their contribution will be directed to the Scottish Government’s EES Loan Scheme. This Scheme offers homeowners interest-free loans to help them meet the cost of measures.

5. ENERGY ADVICE SERVICES

5.1 The EES:ABS funding allocation makes provision for a small proportion of funds to be used for enabling activities. Some of this activity is delivered in the form of local energy advice services. Since 2018/19 officers have provided funding to the Keith-based Rural Environmental Action Project (REAP) to provide energy advice services to householders to include home visits. This activity will complement the services available via Home Energy Scotland (HES), which does not include home visits. REAP and HES have a well-established cross-referral arrangement providing advice and support on energy supplier switching, energy saving and fuel debt advice, access to emergency/hardship grants, as well as signposting to provision of insulation measures, on a tenure-neutral basis. Funding to REAP will continue up to November 2023.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

Addressing poverty and promoting healthy communities is a key priority of the Corporate Plan and the 10 Year Plan. Delivery of the HEEPS:ABS programme will contribute to the achievement of this priority, as well as contributing towards corporate carbon reduction targets by helping reduce energy consumption from domestic buildings.

(b) Policy and Legal

Part 4 of the Climate Change (Scotland) Act 2009 places duties on public bodies relating to climate change. Moray Council has declared a Climate Change Emergency and has published a Local Heat and Energy Efficiency Strategy (LHEES). Delivery of the EES:ABS programme will contribute to the achievements of these aims.

(c) Financial implications

The report provides details of progress in delivering energy efficiency measures to housing stock in Moray, including Council houses, funded from external sources, mainly the Scottish Government's Energy Efficient Scotland programme (EES:ABS formerly known as HEEPS:ABS). Any ECO funding secured for Council properties will help reduce expenditure on energy efficiency measures from Housing Revenue Account.

(d) Risk Implications

There are no risk implications arising from this report.

(e) Staffing Implications

There are no staffing implications arising from this report.

(f) Property

This report provides details of improvements carried out to Council houses to meet statutory standards of energy efficiency.

(g) Equalities/Socio Economic Impact

The energy efficiency proposals set out in this report will be targeted to the homes of fuel poor and older person households.

(h) Climate Change and Biodiversity Impacts

The aims of the EES:ABS programme are closely aligned to the Council's Local Housing Strategy, Climate Change Strategy, and Local Heat and Energy Efficiency Strategy (LHEES).

(i) Consultations

None.

8. CONCLUSION

8.1 This information report provides details of progress on the delivery of the Moray Home Energy Efficiency Programme.

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Background Papers:	Held by author
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