

The Highland Council

Finance, Housing and Resources Committee 9 October 2013

Agenda Item	12.
Report No	FHR/125/13

Housing Development Initiatives

Report by Interim Director of Housing and Property

Summary

This report seeks approval for a loan to be offered to the Highland Housing Alliance and for purchase of 4 housing properties in Alness.

1 Background

- 1.1 The Council holds a Landbank Fund which is used to enable affordable housing to be delivered either through loans and grants to our partner housing organisations or directly to part fund the provision of new council housing. The Landbank Fund can be used to acquire land, properties, fund infrastructure, forward fund projects ahead of finance being available and part fund specific or high cost projects which would otherwise not proceed.
- 1.2 Finance Housing and Resources Committee has agreed to build or acquire by purchase a further 200 single bedroom properties by 2017. These properties will be used as Temporary Accommodation, reducing the number of Bed & Breakfast rooms used by the Council.

2 Property Purchases

- 2.1 **Invercarron, Alness.** An opportunity has arisen for the Council to purchase 4 new build properties which were built by Albyn and intended for low cost home ownership under the Scottish Government's Shared Ownership Initiative (LIFT scheme). Potential buyers have not been identified. It is intended that these be purchased by the Council on the basis that the purchase price will be discounted by the Scottish Government grant investment already awarded to the project, resulting in a price of around £85,000 per property. If agreed it is proposed that the combined purchase value of £340,000 is funded through the "Alternative Temporary Accommodation" project agreed by Committee, with purchase of these 2 bed units freeing up existing 1 bed units elsewhere in the area which in turn will be available for applicants with a 1 bed need. Local Members within Ward 07; Cromarty Firth, have been consulted on this proposal. No negative comments have been received.

3 Loan

- 3.1 **Glendoe Terrace, Inverness.** Committee has previously agreed a loan to the Highland Housing Alliance to part fund purchase of a housing development site at Glendoe Terrace. The Alliance is progressing development of the first part of this site with access from Carse Road. Subject to planning this will provide 15 new Council houses. Part of the loan will be repaid on development of this phase. The Alliance plan to secure the boundary fences around the larger area and demolish the existing building and have requested that the Council agree a loan of up to £60,000

to meet some of these costs. It is proposed that this loan be funded from monies held within the Council's Landbank Fund. Any loan will be repaid when further parts of the site are sold or developed. Local Members within Ward 15; Inverness Central, have been consulted on this proposal. No negative comments have been received.

4 Implications arising from this report

- 4.1 **Legal:** Increasing the supply of affordable housing will help the Council meet its legal obligations in relation to housing and homelessness.
- 4.2 **Financial:** The loan proposals contained within this report total £0.060m and can be funded through the Landbank Fund. Currently the net funding available for investment within the Landbank allowing for commitments agreed but not yet funded, stands at £11.459m. A total of £26.774m has been loaned to date with £14.742m repaid.
- 4.3 The proposed purchase of the 4 units in Alness, totalling £340,000 can be funded from the Alternative Temporary Accommodation programme previously agreed by Committee.
- 4.4 **Climate Change/Carbon Clever:** There will be implications in delivering a new build programme, but the housing stock provided will be to a high standard of energy efficiency and will help address fuel poverty.
- 4.5 **Equality:** All new build programmes will take account of the need for housing for specific community care groups.

5 Recommendations

- 5.1 It is recommended that Finance Housing and Resources Committee agree that 4 properties at Invercarron, Alness be purchased as part of the Alternative Temporary Accommodation programme on terms and conditions to be agreed by the Interim Director of Housing and Property.
- 5.2 It is recommended that Finance Housing and Resources Committee agree that a loan of up to £60,000 be offered to the Highland Housing Alliance to carry out works to land at Glendoe Terrace, Inverness on terms and conditions to be agreed by the Interim Director of Housing and Property.

Designation Interim Director of Housing and Property

Date 30 September 2013

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Background Papers:

Report to Finance Housing and Resources 10 April 13 – Temporary Accommodation
Report to Housing and Social Work 19 May 2013 – Loan to HHA for purchase of land at Glendoe Terrace, Inverness