

THE HIGHLAND COUNCIL

PLANNING, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE

3 JUNE 2015

Agenda Item	4
Report No	PDI 25/15

HOUSING DEVELOPMENT INVESTMENT

Report by Director of Development and Infrastructure

Summary

This report seeks consent to offer a loan to Lochaber Housing Association which would allow a site in Lochaber to be secured for development of affordable homes. The proposals contained within this report will contribute to meeting the Council's commitment to deliver an additional 688 Council houses by 2017.

1 Introduction

- 1.1 The Council has produced a programme of action, which set out its priorities between 2012-17 "Working together for the Highlands". Within the Programme the Council will work with the Scottish Government, Housing Associations, and the private sector, to help to deliver 5,000 new homes by 2017 which will include at least 688 Council houses and other affordable homes.
- 1.2 The Council holds a Landbank Fund which is used to provide loans and grants to partner organisations, enabling strategic sites to be secured or prepared for development for housing purposes. The Fund is a revolving facility with loans repaid as land and property is resold or developed. Committee has previously agreed that priority affordable housing projects can be forward funded, using the Council's Landbank fund, subject to individual projects being approved by Committee and on the basis that assurances are obtained from the Scottish Government that monies will be repaid from their investment programme.
- 1.3 Within this report there is reference made to consultation having been carried out with Local Members in relation to an individual proposal. It should be noted that the consultations have been in respect of the proposals contained within the report, and have not sought any view in relation to the planning merit of any potential development.

2 Loan Proposals

2.1 Fort William, Upper Achintore

- 2.1.1 Lochaber Housing Association (LHA) has secured, in principle, funding for a development of 21 affordable houses and flats at Heathercroft Drive, adjacent to properties at Mull Court.
- 2.1.2 LHA has requested a loan of £300k, to meet costs in connection with purchase of the site.

2.1.3 The Scottish Government has confirmed that the project has been approved and that grant funding will be available over the current or next financial years.

2.1.4 It is proposed that a loan of up to £300k be offered to Lochaber Housing Association on the condition that the loan will be repaid on or before completion of the housing project. Local Members within Ward 22, Fort William and Ardnamurchan, have been consulted on this proposal. Responses have been supportive.

3 Implications arising from this Report

3.1 A summary of the implications arising from the recommendations contained within this report are set out below.

3.2 Resource Implications

3.2.1 There are implications both for the Landbank Fund and the Housing Revenue Account Capital Programme.

3.2.2 The Landbank proposals contained within this report total £300k can be funded from the Landbank Fund. Currently the net available, taking into account commitments, stands at £11.185m. A total of £30.444m has been loaned to date of which £18.722m has been repaid. Loans are repaid as land and property is resold, or when funding is available from the Government's investment programme.

3.3 Legal, Equality, Rural, Gaelic and Climate Implications

There are no legal, equality, rural, Gaelic or climate change implications arising from this report.

3.4 Risk Implications

It is considered that there are no significant implications arising from the recommendations contained within this report.

Recommendations

It is recommended that Planning, Development and Infrastructure Committee agree that a loan of up to £300k be offered to Lochaber Housing Association to assist in funding an affordable housing project at Heathercroft Drive, Fort William, on terms and conditions to be agreed by the Director of Development and Infrastructure, to include a condition that the loan is repaid on or before completion of the housing project.

Designation: Director of Development and Infrastructure

Date 26 May 2015

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