

The Highland Council
Planning, Development and Infrastructure Committee
17 August 2016

Agenda Item	20
Report No	PDI 54/16

Housing Development Investment

Report by Director of Development and Infrastructure

Summary

This report seeks approval to an amended programme of new build affordable housing. The report also seeks approval of grant assistance in support of affordable housing projects and for the sale of land in support of housing development.

The proposals contained within this report will assist in the meeting the Council's overall affordable housing target of 1,700 new affordable houses by 2017.

1 Introduction

- 1.1 The Council has produced a revised Programme of Action, which sets out its priorities: 'Highland First'. Within the programme, the Council has committed to working with the Scottish Government, Housing Associations and other housing partners to deliver 1,700 new affordable homes, either complete or on site, by March 2017, including a minimum of 888 new Council houses.
- 1.2 Committee agreed a Strategic Housing Investment Plan (SHIP) 2015 – 2020, at the meeting held on 18 February 2015, noting that a planned investment programme would be presented to Committee at a later date. An indicative mainstream housing programme was agreed by Committee on 19 August 2015.
- 1.3 Within this report there is reference made to consultation having been carried out with Local Members in relation to individual proposals. 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 development.

2 Affordable Housing Programme

- 2.1 The Scottish Government has invited proposals for projects which will be taken forward in 2016/17 and 2017/18 within an overall grant investment programme of approximately £27m per annum. Following discussion with Housing Association partners an indicative programme has been prepared, reflecting the agreed SHIP.
- 2.2 A summary of the proposed programme (as included within **Appendix 1**) split between the Council, Housing Associations and shared equity is shown below:

	Proposed
Council for rent	383
Housing association for rent	465
Shared equity (low cost home ownership)	165
Total Units	<u>1,013</u>

- 2.3 The figures within paragraph 2.2 include previously agreed projects as indicated within **Appendix 1**. Of the 1,013 units, 619 have been agreed previously (including 300 for council rent). If approved, the additional 83 council houses (of the 383 total) within the proposed programme will result in an overall programme total of 940 new council houses. Further projects, as identified for inclusion within the programme, will be reported to Committee as appropriate.

3 Land Transactions

- 3.1 **Portree, Struan Road.** The Council have been approached by Taic, a charity based in Skye who seek to undertake development of a 6 bedroomed hostel and support centre. The group intend that the hostel would enable people affected by substance misuse to overcome their addiction and sustain their long term recovery within the community. An area of land owned by the Council, on Struan Road, has been identified by Taic. Subject to further feasibility and planning consent, the site could accommodate the building proposed by Taic and up to 8 flats for rent by the Council. In order to progress the development, Taic has requested that the land be transferred to them at nil value. It is proposed that Committee agree the principle of development and that the land be sold to Taic, for nil consideration, on terms to be agreed by the Director of Development and Infrastructure. Local Members within Ward 11, Eilean a' Cheò, have been consulted on this proposal.
- 3.2 **Edderton, Carriclair Crescent.** At the Committee held on 4 November 2015 it was agreed, subject to consent of Scottish Ministers, that land extending to approximately 0.034ha at Carriclair Crescent, Edderton be sold to The Highlands Small Communities Housing Trust (HSCHT) for nil consideration, on terms to be agreed by the Director of Development and Infrastructure. Local Members had agreed the sale. The site is well defined with very clear boundaries on all sides. Unfortunately, through an administrative error, the area was miscalculated giving rise to difficulties in concluding the sale. The actual area is 0.065ha. It is proposed that the Committee agree the sale to HSCHT based on the actual area of 0.065ha, for nil consideration and on terms and condition to be agreed by the Director of Development and Infrastructure. Local Members within Ward 5; East Sutherland and Edderton, were consulted on this proposal.

4 Grants and loans to assist in delivery of affordable housing

4.1 Development loan to Albyn

- 4.1.1 At the Planning Development and Infrastructure Committee, held on 4 November 2015, a loan of up to £2.2m to Albyn Housing Society as assistance towards meeting part of the cost of developing affordable housing during the construction period was agreed. The loan was to be funded from the Council's Landbank fund. The loan has not yet been drawn down and Albyn requested that the terms be amended to allow the period for repayment to be extended to a revised date of 31 March 2017, allowing projects to progress earlier than may otherwise be possible. It is proposed that the Committee agree this request.

4.2 North Kessock

- 4.2.1 Albyn Housing Society is currently undertaking a development of 13 affordable homes in North Kessock, which includes conversion of the former Bellfield farmhouse which is a listed building. The costs are in excess of the normal development costs partly due to the costs associated with bringing the existing property back into use. Albyn have requested a grant of £30,000 to meet part of the identified costs. It is proposed to award a grant from monies held within the

Council's Landbank fund. Local Members within Ward 10, Black Isle, have been consulted on this proposal.

4.3 **Alness, Dalmore – Assisted Living Project.**

- 4.3.1 Albyn Housing Society have been leading an innovative pilot project along with the Highland Hospice, the private sector (Carbon Dynamic), The Highland Council and NHS Highland to develop bespoke, low cost, sustainable and digitally enabled homes. The project has the potential to transform health care and service delivery by targeting services to maximise wellbeing and produce improved efficiencies, thereby enabling increased service delivery to meet the individual needs of our customers. It is hoped the pilot project can be replicated throughout the Highlands.
- 4.3.2 These homes will be designed so that they can be adapted throughout an occupier's life. They will be fit for young families, through to people with assisted living needs using "smart" building techniques to provide low cost but highly environmentally responsible homes. They will be digitally enabled and adapted for end of life care with support through smart wall design. The technology will encompass a variety of ambient monitoring sensors which can detect movement, falls and excursions from the home. Monitoring of the data from these homes will be performed through the Technology Enabled Care group within NHS Highland. This will help build on an already established service. The smart wall will be able to change from storage and space options, to encompass medical equipment and ancillary support, whilst still retaining a homely feel. At the end of that need, it can easily be returned to the storage and space option, or a hybrid of both.
- 4.3.3 The units will have a digital platform that will allow occupants to order a variety of services. This platform enables the self-management of care, as well as the purchase of private sector services to enhance face to face interactions.
- 4.3.4 The aim is to have the first cluster of housing (14 + 2 homes) developed and on site by the end of Sept 2017. Albyn have identified phase 2 of their existing site at Dalmore, Alness as the preferred site for the pilot housing (phase 1 was recently completed, including 15 new council homes).
- 4.3.5 The project will have the following outputs:
- modular low cost, low carbon attractive social housing;
 - homes which are adaptable depending on need;
 - digitally enhanced properties to allow a range of sensing technologies;
 - a social care digital services platform;
 - data flowing securely to NHS monitoring teams (TEC group);
 - sustainable energy solutions utilising state of the art energy storage; and
 - sustainable and resilient communities.
- 4.3.6 Albyn have approached the Highland Council to request funding support from the Landbank Fund for costs incurred in the pilot project which reflects the research and development nature of this contract, and will be a saving in future projects. This equates to £6,145 per unit, a total of £98,320. The costs relate to the design and manufacture of the new pods and the various elements within it.
- 4.3.7 The grant contribution will enable the delivery of this innovative project and if successful will assist the Highland Council to replicate the assisted living project elsewhere in the Highlands. The Council has already secured, in principle, £3million additional investment through City Region Deal funding for assisted living

projects which will enable another 32 new homes to be delivered. Local Members within Ward 7, Cromarty Firth, have been consulted on this proposal.

5 Implications

5.1 Resource

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

5.1.2 The new Landbank proposals contained within this report total £1.373m, based on the agreed contribution of £15,000 per unit towards the proposed 83 additional Council houses and other grants, and can be funded from the Landbank Fund. Currently the net available, taking into account commitments, stands at £12.646m. A total of £31.664m has been loaned to date of which £19.541m has been repaid. Loans are repaid as land and property is resold or when funding is available from the Government's investment programme.

5.1.3 Members have agreed to amend the rent structure to fix a new build supplement of £10 per week and to a Landbank contribution to £15,000 per unit. Thus the report concludes that this would result in no additional impact to existing Council house rents.

5.2 Legal, Equality, Rural, Gaelic and Climate

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

5.3 Risk

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

Recommendations

The Committee is asked to agree:

- that on terms and conditions to be agreed by the Director of Development and Infrastructure:
 - the terms of the previously agreed development loan to Albyn Housing Society be extended for repayment to 31 March 2017;
 - a grant of £30,000 be offered to Albyn Housing Society to support development of the affordable housing project at Bellfield, North Kessock;
 - a grant of £98,320 be offered to Albyn Housing Society to support development of the assisted living housing pilot project under development in Alness;
 - an area at Struan Road, Portree, extending to approximately 0.02ha, be transferred, with the consent of Scottish Ministers, to Taic at nil consideration for the development of a support centre;
 - land extending to approximately 0.065ha at Carrieblair Crescent, Edderton be sold to The Highlands Small Communities Housing Trust for nil consideration; and
- an amended programme of new build affordable housing as indicated with **Appendix 1** of this report.

Designation: Director of Development and Infrastructure

Date: 4 August 2015

Authors: Allan Maguire, Head of Development and Regeneration
John McHardy, Housing Development Manager

Background Papers:

Planning, Development and Infrastructure Committee 18 February 2015:
“Housing Investment Plan (SHIP) 2015-2020”

Planning, Development and Infrastructure Committee 19 August 2015:
“Housing Development Investment”

Planning, Development and Infrastructure Committee 4 November 2015: “Housing Development Initiatives” – sale of land at Edderton to HSCHT and Development loan to Albyn Housing Society.

Indicative Mainstream Programme August 2016

Housing Market Area /Project	Council Rent	H Ass Rent	Low Cost Ownership	TOTAL	Indicative/Actual Completion Date			Current Status
					16/17	17/18	18/19	
Badenoch and Strathspey								
Aviemore, Inverdrue*		5		5		5		Designs being finalised
Boat of Garten*	8		2	10	10			On site
Grantown on Spey, Breachan Court	12		4	16		16		Planning
Grantown on Spey, Spey Avenue*	4			4		4		Start due September 2016
Newtonmore		6	4	10		10		Contract under negotiation
Inverness								
Croy		15	4	19		19		Planning
Drumnadrochit		15		15		15		Contract under negotiation
Inverness, Essich Road			3	3		3		Planning
Inverness, Ness Castle phase 1*		30	12	42		42		On site
Inverness, Ness Castle phase 2		32	14	46		46		Designs being finalised
Inverness, Caulfield Road*	11			11	11			On site
Inverness, Glendoe Terrace*	39		8	47		47		Tenders Invited
Inverness, Glenurquhart Road*	8			8	8			On site
Inverness, Huntly House*	20			20	20			On site
Inverness, Parks Farm Phase 5*		25	8	33		33		Planning
Inverness, Raining Stairs*	12		8	20		20		Designs being finalised
Inverness, Old Edinburgh Road	6			6		6		Tender accepted, start imminent
Inverness, Smithton, Murray Rd*	8			8		8		Designs being finalised
Inverness, Slackbuie		6		6	6			On site
Inverness, Slackbuie, Farm Road	16			16		16		Designs being finalised
Inverness, Slackbuie, off B861*		6		6		6		Designs being finalised
Inverness, Tower Road*	12		4	16	16			Designs being finalised
Inverness, Woodside		10	8	18		18		Tender accepted, start imminent
Foyers*		4		4	4			Detailed design
Gorthleck*		4		4	4			Tender underway
Kiltarlity*	10			10	10			On site
Kirkhill		6	4	10		10		Tenders Invited

Lochaber

Duror, Achindarroch*		4	2	6		6		Planning
Lochside, Phase 4*		10		10	10			On site
Caol, former Lochaber Bar		12		12		12		Detailed design
Fort William, Upper Achintore		20	6	26			26	Detailed design
Fort William, Former Belhaven Ward*	5	8		13		13		On site
Fort William, Tweeddale*	22			22		22		On site
Fort William, Mull Court*		17	4	21		21		On site
Fort William, High Street*	12			12		12		Detailed design
Lochside, Former School	30	30	10	70			70	Initial feasibility

Nairn

Nairn, Lochloy, Phase 2*	8			8	8			On site
Nairn, Lochloy, Phase 3		10	2	12			12	Detailed design

East Ross

Alness, Dalmore, Phase 2		16		16		16		Detailed design
Alness, Lindley Court*		10		10	10			Planning
Alness, Novar Road*	6			6	6			On site
Alness, Perrins Road*	6			6		6		Planning submitted
Alness, Kendal Crescent*	9			9		9		Planning submitted
Invergordon, Cromlet Drive*		8	8	16		16		Planning submitted
Invergordon, High Street*	19			19		19		On site

Mid Ross

Avoch, Memorial Field*	6		2	8		8		Feasibility
Conon Bridge, Bridge View, Phase 2*		20	8	28		28		Detailed design
Conon Bridge, Braes of Conon		15	5	20		20		Detailed design
Cromarty, Townlands*		6	4	10		10		Feasibility
Dingwall, Achany Road*	12			12		12		Detailed design
Dingwall, Gladstone Avenue*	4			4	4			On site
Dingwall, St Andrews Road, Ph 2*	9			9	9			On site
Dingwall, Tulloch Court*		16	4	20		20		Contract under negotiation
Muir of Ord, Former Care Home*	17		6	23		23		On site
Muir of Ord, Station Road		10		10		10		Detailed Design
Munlochy, Cameron Crescent		6		6		6		Planning
North Kessock, Phase 4*		10	3	13	13			On site
Rosemarkie, Greenside*	7		6	13		13		Planning submitted

Wester Ross

Poolewe, Sydney's Way*		2		2	2			Tender accepted
Ullapool, North Road, Phase 1*	6		4	10		10		Planning submitted

Skye and Lochalsh

Broadford, Broadford House*	11			11		11		On site
Broadford, Harrapool*	12			12	12			On site
Broadford, Campbell's Farm		20	4	24		24		Detailed design
Dornie, St Duthac Drive		6		6		6		Detailed design
Kyle, Main Street*		12		12		12		Contract under negotiation
Portree, Home Farm, Phase 7*		11		11	11			On site
Portree, Dunvegan Road*	8			8	8			On site
Portree, Struan Road	8			8		8		Feasibility
Portree, Former bus garage		16		16		16		Detailed design

Sutherland

Dornoch		6	4	10		10		Feasibility
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Totals	383	465	165	1,013	218	687	108	
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* Indicates projects previously agreed by Committee held on 19 August 2015 = 619 units of which 300 were Council for rent. Thus the increase in Council houses for rent is **83** (383-300)