

## The Highland Council

### Community Services Committee 4 June 2015

Agenda Item	15
Report No	COM 28/15

#### Individual House Purchases

#### Report by Director of Community Services

##### Summary

This report seeks approval to purchase 2 existing properties as additional houses for affordable rent and homologation of actions taken which have resulted in purchase of a further property for affordable rent. The report also seeks approval to dispose of a property held on the Housing Revenue Account.

## 1 Introduction

- 1.1 Community Services Committee, at the meeting held on 6 November 2014, agreed a policy to be used in consideration of purchase of individual properties. The policy identifies that purchase should be considered where there is housing need, linked to the project aimed to increase options for temporary accommodation and where the intended purchase would represent value for money. However, within this policy there is provision for consideration of exceptional cases and in such cases the policy allows for purchase in consultation with Ward Members and with the approval of the Director of Community Services. Purchases can be progressed under powers delegated to the Head of Property Partnerships up to a value of £150,000, values in excess of this require approval of Committee.
- 1.2 The Council has embarked upon an ambitious new Council House Build Programme which aims to provide 688 new Council houses by 2017.
- 1.3 Disposal of houses or flats held on the Housing Account requires approval of Committee and consent from Scottish Ministers under current Housing Legislation.

## 2 Proposed purchases

### 2.1 Glencoe, former Police house

- 2.1.1 Police Scotland have declared a property in Glencoe as surplus to their operational requirements. The property is a 4 bed bungalow within the village and provides a good solution for a family, who are currently housed in the area but in unsuitable accommodation. The family have strong ties to and a broad support network within the area.
- 2.1.2 The cost of purchase, repairs to meet Scottish Housing Quality Standard and minor adaptation to meet the particular needs of the prospective tenant are estimated to be:-

	£
Purchase	160,000
Adaptations/Repairs	10,000
<b>Total</b>	<b><u>170,000</u></b>

The purchase cost is higher than the £150,000 benchmark cost for an affordable house. However, given the specific housing needs and lack of other opportunities locally it is considered to represent value for money.

2.1.3 The Scottish Government has confirmed grant assistance of £50,000 towards the project resulting in a net cost of £120,000, which can be accommodated within the previously agreed new Council House development programme. On this basis it is proposed that the property be purchased and added to the stock held within the Housing Revenue Account.

2.1.4 Local Members within Ward 22; Fort William and Ardnamurchan, have been consulted on this proposal. Responses have been supportive.

## 2.2 **Inverness, Balmoral Terrace**

2.2.1 The Council currently lease a 5 bedroom property which has been sub-let to a family with a 5 bedroom need. The owner has confirmed that he needs to sell the property at which time the lease would end and the Council would require to find a housing solution for the family. Unfortunately the Council would be unable to meet this need locally within the current stock.

2.2.2 The property is relatively new and compliant with the standards set out within the Scottish Housing Quality Standard, not requiring any upgrade works.

2.2.3 A price of £215,000 has been provisionally agreed with the owner.

2.2.4 The Scottish Government has confirmed grant assistance of £50,000 towards the purchase resulting in a net cost of £165,000, which can be accommodated within the previously agreed new Council House development programme. On this basis it is proposed that the property be purchased and added to the stock held within the Housing Revenue Account.

2.2.5 Local Members within Ward 17; Inverness Millburn, have been consulted on this proposal. Responses have been supportive.

## 2.3 **Inverness, 9a Viewfield Road**

2.3.1 Within the agreed protocol with Police Scotland, which allows purchase of any of their stock which may be surplus to their operational needs, the Council were given the opportunity to purchase 9a Viewfield Road which was valued at £160,000. The property does not need immediate works to meet the requirements contained within Scottish Housing Quality Standard.

2.3.2 The Scottish Government has confirmed grant assistance of £50,000 towards the purchase resulting in a net cost of £110,000, but there was a need to complete the purchase by 31 March 2015. It was identified that the cost to the Council could be

accommodated within the previously agreed new Council House development programme. On this basis, with the agreement of the Director and in consultation with the Chairman, the property was purchased and added to the stock held within the Housing Revenue Account. Committee is asked to homologate the action taken by the Director, in consultation with the Chairman.

### **3 Proposed Disposal of Property**

- 3.1 The Council own a ground floor flat at 39 Wells Street, Inverness. The property requires renovation in order to meet the Scottish Housing Quality Standard. Due to the cost of the works it is proposed that the property is disposed of. A marketing exercise has been carried out in advance of Committee with the Council receiving a number of expressions of interest and a best offer of £67,500. It is recommended that this offer is accepted, subject to the consent of Scottish Ministers.
- 3.2 Local Members within Ward 15; Inverness Central, have been consulted on this proposal. Responses have been supportive.

### **4 Implications arising from this Report**

- 4.1 A summary of the implications arising from the recommendations contained within this report are set out below.
- 4.1.1 **Resource Implications** The budget implications are set out in the report. All recommendations can be funded within previously agreed budgets and grant income.
- 4.1.2 **Legal, Equality and Climate Implications.** There are no legal, equality or climate change implications arising from this report.
- 4.1.3 **Risk Implications.** It is considered that there are no significant risks arising from the recommendations contained within this report.
- 4.1.4 **Gaelic Implications:** There are no gaelic implications.
- 4.1.5 **Rural Implications:** One of these purchases, Glencoe, supports a community in a rural village.
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## **Recommendations**

It is recommended that the Committee agree that:

- (i) the former Police house, Glencoe be purchased at the agreed settlement price of £160,000;
- (ii) the property at Balmoral Terrace, Inverness be purchased at the agreed settlement price of £215,000;
- (iii) the sale of 39 Well Street, Inverness, subject to the consent of Scottish Ministers, and on terms and conditions to be agreed by the Director of Planning, Development and Infrastructure.
- (iv) homologate the decision taken to the purchase of the former Police house at 9a Viewfield Road, Inverness;

Designation: Director of Community Services

Date 27 May 2015

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Background Papers: C S Committee, 6 November 2014; policy on Individual Property Purchases.