
**PROPOSED DISPOSAL OF ALLOCATED HOUSING SITE AT
STIRCHES, HAWICK TO EILDON HOUSING ASSOCIATION
FOR THE DEVELOPMENT OF EXTRA CARE HOUSING.**

Report by the Services Director Regulatory Services

EXECUTIVE

17 OCTOBER 2017

1 PURPOSE AND SUMMARY

- 1.1 **The purpose of this report is to seek Council agreement in principle to dispose of the Council-owned allocated Housing Site at Stirches, Hawick to Eildon Housing Association in order that it may be re-developed to provide extra care housing.**
- 1.2 The report also proposes that the Council disposes of the site on the basis of a nominal £1.00 as being best value in accordance with current Scottish Government Guidance regarding disposal of former Housing Revenue Account (HRA) assets. The site has been identified as a potential site in the Extra Care Housing Delivery Framework, approved by Members on 20th September 2016 and is consistent with the approach taken previously by the Council in disposal of 11 former Housing Revenue Account sites since 2003 for the development of affordable housing. It has also been prioritised as an affordable housing site for anticipated development by Eildon Housing Association in the Council's Strategic Housing Investment Plan (SHIP) 2017-22 and SHIP 2018-23.

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Committee:**
- (a) **Agrees in principle to the proposed disposal of the allocated housing site at Stirches Hawick to Eildon Housing Association in order that it may developed to provide extra care housing, and additional affordable housing if space permits.**
 - (b) **Delegates authority to the Council's Service Director, Assets and Infrastructure to lead on representing the Council's interest in concluding the disposal of the allocated Housing Site at Stirches, Hawick to Eildon Housing Association on the basis of a nominal price of £1.00, and upon terms and conditions to be agreed.**

3 BACKGROUND

- 3.1 A needs assessment study for extra care housing across the Borders has been undertaken by consultants who concluded that there is a large projected need for this type of housing model across the main towns in Scottish Borders. This study estimated a need in Hawick of up to 50 units by 2035. A report to Members in September 2016 set out a proposed Extra Care Housing Delivery Framework to deliver up to 4 new build extra care housing developments in key Borders towns over the SHIP period 2017-2022.
- 3.2 The agreed delivery framework sought to utilise Council owned sites, where feasible, and maximises Scottish Government grant provision, complemented by private sector borrowing by Registered Social Landlords (RSLs) over the five years of the SHIP 2017-2022. The Council owned Allocated Housing Site at Stirches was identified as a potential site for the development of Extra Care Housing in Hawick.
- 3.3 Ownership of the site was retained by Scottish Borders Council, following the Voluntary Stock Transfer of the Council's housing stock in March 2003, in order that this be released as a strategic site for affordable housing development in due course. The Council subsequently published Supplementary Planning Guidance for this site in March 2007.
- 3.4 The Disposal of Land by Local Authorities (Scotland) Regulations 2010 allow local authorities to dispose of their land site for less than best consideration provided the requirements of the applicable regulations are met. In addition, as a result of stock transfer conditions, the Council is required to seek Ministerial consent to dispose of former Housing Revenue Account assets. It is proposed that the Stirches site be disposed to Eildon Housing Association on the basis of a nominal £1.00 for the development of Affordable Housing in the form of Extra Care Housing. This may also present the opportunity to provide additional affordable housing at this location to meet other strategic housing needs subject to the future design exercise. This would meet the considerations required by the Regulations and would be consistent with the approach taken previously by the Council in disposal of 11 former Housing Revenue Account sites since 2003 for the development of affordable housing.
- 3.5 The site has been identified, prioritised for development and included in the Council's SHIP 2017-22 and 2018-23. Local Authorities are required to produce and submit a Strategic Housing Investment Plan (SHIP) to the Scottish Government on an annual basis. SHIP is a five year plan that sets out strategic investment priorities for affordable housing in order to achieve the targets identified in the Council's Local Housing Strategy (LHS) 2017-2022.
- 3.6 It is envisaged that the Stirches development will provide extra care housing for social rent, and potentially mid-market rent and shared equity options, all of which are considered as being consistent with the Council's Affordable Housing Policy. Further site specific feasibility study work will be carried out in due course by the Association's design team to confirm numbers of units than can be developed on the site.
- 3.7 Scottish Government (More Homes Division) Officers are aware of this proposed project and have indicated willingness to grant assist Eildon Housing Association to progress the development of the site, and thereby assist the Scottish Parliament to meet its ambitious 50,000 affordable housing target over the life of the Parliament. On the basis of current thinking reflected in the SHIP 2018-2023, it is envisaged that this project could potentially complete in 2020-2021.

4 IMPLICATIONS

4.1 Financial

- (a) The Scottish Government has published revised Guidance regarding disposal of assets from Housing Revenue Accounts which seeks to provide consistent procedures, and sets out what Councils can now decide under General Consent , and those site disposals which still require Ministerial consent. The Guidance requires that Councils obtain a valuation in order to demonstrate market value prior to seeking Ministerial consent. Council Officers have instructed the District Valuer to provide a valuation report which is not available yet.
- (b) It is considered that the proposed disposal of this site is consistent with the principles of best value can be demonstrated since this will provide more confidence in ensuring project delivery and can be considered against anticipated total project development costs. It is envisaged that there will be some transaction costs to the Council arising from this proposed disposal. It is proposed that these will be reflected in the terms and conditions to be agreed with Eildon Housing Association.

4.2 Risk and Mitigations

The proposed disposal of this site to Eildon Housing Association is consistent with the approach taken by Council Officers to continue to work with partner RSLs to ensure that there is a strategic approach to land-assembly in order to provide greater confidence in affordable housing project delivery.

4.3 Equalities

- (a) In line with both Council policy and legislative requirement, each annual SHIP is subjected to an Equalities Impact Assessment. The outcome of that impact assessment did not identify any concerns about the way the delivery of the SHIP is likely to adversely impact on any of the equalities groupings.
- (b) The development of SHIP 2017-22 was predicated on the endorsement of the principle of equalities as articulated in the Scottish Government's SHIP Guidance. Each annual SHIP is subjected to an Equalities Impact Assessment, Strategic Environmental Assessment Screening and Rural Proofing.
- (c) Houses produced by Registered Social Landlords (RSL) are allocated according to their individual allocations policy and procedures. As a consequence of being an RSL, they are subject to the weight of statutory scrutiny via external Regulation and Inspection by the Scottish Housing Regulator. It is envisaged that the Council's Social Work Department will also be a partner in the assessment and prioritisation of applicants for allocation to homes in this new extra care housing development. It is considered that the proposed new extra care housing development will have a positive impact by increasing the supply of such housing in order to meet an identified strategic need in the Hawick and the wider Teviot and Liddesdale Locality area.

4.4 **Acting Sustainably**

- (a) In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 a pre-screening assessment of each annual SHIP submission is undertaken using the criteria specified in Schedule 2 of the Act. The pre-screening assessment identified no or minimal, effects in relation to the environment hence the SHIP is exempt from SEA requirements under Section 7 (1) of the Act.
- (b) By seeking to provide more new affordable houses in particular extra care housing on this site will help promote sustainable communities and help to address many of the housing supply challenges identified in the Council's new Local Housing Strategy 2017-2022.
- (c) There are no adverse economic or social effects resulting from this project delivery. Potential environmental effects from new build housing on the Stirches site will be addressed through the Planning Process and application of National Policies and Standards.

4.5 **Carbon Management**

- (a) It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations.
- (b) New Build housing on the Stirches site will have a general effect on the region's carbon footprint. However these are addressed within the Planning and Building Standards processes, and will be consistent with meeting the housing requirements and standards as set out by the Scottish Government.
- (c) It is anticipated that RSL affordable housing identified in the SHIP 2018-23 will be built to Scottish Government's "Silver Standard". In the event that this cannot be reached, new houses will be built to comply with current Scottish Building Standards, thereby seeking to maximise the opportunity for energy efficiency and reduction of fuel poverty.

4.6 **Rural Proofing**

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders outwith the towns of Hawick, Galashiels/Tweedbank, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso. Hawick is therefore not classed as being a rural area.
- (b) The SHIP project working group carried out a rural proofing exercise as part of the preparation of each SHIP submission. It was determined that the delivery of individual SHIP projects will not have any unforeseen negative impact on the rural area, and are most likely to have positive effects by increasing the supply of affordable housing, and that the needs of rural areas have been properly taken into account.

4.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made to the Scheme of Administration or Scheme of Delegation as a result of this report.

5 CONSULTATION

- 5.1 The Chief Financial Officer, Monitoring Officer, Chief Legal Officer, Chief Officer Audit and Risk, Clerk to the Council, and Chief Officer HR have yet to be consulted and any comments will be reflected at Committee.

Approved by

Brian Frater
Service Director Regulatory Services

Signature

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Background Papers:

Supplementary Planning Guidance – Stirches, Hawick (March 2007)
“Disposal of assets from Housing Revenue Accounts”- Guidance on Scottish Ministers Consent – Scottish Government March 2016.

Previous Minute Reference:

Report by Service Director Regulatory Services to Executive Committee 8 March 2016, titled “Business Case for Extra Care Housing”

Report by Service Director Regulatory Services to Executive Committee 20 September 2016, titled “Delivering extra care housing in the Scottish Borders: A delivery framework 2017-2022”.

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies. Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000 ext 5431, email jwhitelaw@scotborders.gov.uk.