

To: Communities, Housing and Planning Policy Board

On: 20 August 2019

Report by: Director of Communities, Housing and Planning Services

Heading: Acquisition of Private Housing

1. Summary

- 1.1 The Housing and Community Safety Policy Board agreed in May 2014 to the disposal of Council properties which become void, at no less than market value, where the property is the last one owned by the Council in a block of five or more flats.
 - 1.2 In approving this initiative, it was agreed that income generated from these sales should be used to acquire properties which could in turn be made available for rent as part of the Council's Housing Stock.
 - 1.3 In the report to Council of 28 February 2019 on the HRA Capital Investment Plan 2019/20-2021/22, it was noted that 39 properties had been sold since the last in the block policy was approved in 2014 and that proposals would be developed to reinvest funds in additions to the overall housing stock.
 - 1.4 In this context, Section 4 of this report sets out proposals for implementing a scheme for the acquisition of private housing which would utilise the funding which has been generated to date, along with additional funding which may become available in the future.
 - 1.5 The Acquisition Scheme will be targeted to the purchase of properties which would meet identified needs and increase the supply of good quality Council housing in areas where there is need and recognised demand.
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2. Recommendations

2.1 It is recommended that the Policy Board:

- (i) approves the terms of the Acquisition Scheme set out in section 4 below and authorises the Director of Communities, Housing & Planning to oversee the management of the scheme; and
- (ii) agrees that the acquisition of properties will be undertaken in consultation with the Head of Property Services and Head of Corporate Governance and in full accordance with the approved Council Scheme of Delegation and Financial Regulations

3. Background

- 3.1 Renfrewshire's Local Housing Strategy and Strategic Housing Investment Plan highlight the importance of increasing the supply of affordable housing, with a focus on: providing the right type and size of housing in the right location; addressing shortfalls where there is pressure on the supply of affordable housing; and addressing housing needs.
- 3.2 The Council participates in the Mortgage to Rent scheme as part of its homeless prevention activities, with 30 properties acquired since 2009. Properties are purchased with HRA and Scottish Government grant funding to allow residents who are in financial difficulty to remain in their home and become a tenant of the Council.
- 3.3 While this scheme has been successful in preventing homelessness, it does not provide an immediately available property that could address need from the Council's Housing List.
- 3.4 Through its newbuild programme, Renfrewshire Council will deliver over 400 new homes over the next three years. This is part of Renfrewshire's Local Housing Strategy target of delivering 1,000 new affordable homes by 2021.
- 3.5 The proposed Acquisitions Scheme would also help to increase the Council's housing stock by adding a modest number of suitable properties to the supply in locations where there is recognised demand.

4. Acquisition Scheme

- 4.1 Under the proposed scheme, properties would only be considered for purchase where they are advertised for sale on the open market.

- 4.2 The following criteria will be used to identify properties which the Council may seek to acquire.
1. The property would help to meet general housing needs, as identified in Renfrewshire's Local Housing Strategy, taking account of the type, size and location of the property. (For example, this could include back and front door houses in an area where there is a limited supply of Council housing and other social rented housing of this type.)
 2. The property would add to the supply of Council housing for which there is expressed need and sustainable demand.
 3. The property would help to meet particular needs, including needs which may be difficult to address within the Council's existing housing stock base.
 4. For reasons of efficiency in terms of housing management and maintenance, the property is located close to existing Council housing.
 5. Ownership of the property would shift the tenure balance in a mixed tenure block and may enable common works to be progressed.
 6. Taking account of any investment and repair requirements as well as the purchase price, the property represents good value for money to the Council's Housing Revenue Account.
- 4.3 Properties would be acquired with vacant possession. Any works required to meet the Scottish Housing Quality Standard and the Council's letting standard would be carried out and the property would be let in accordance with the Council's Housing Allocation Policy.
- 4.4 Properties would be considered for purchase where this represents good value for money, taking account of both the purchase price and the cost of any improvement works required.
- 4.5 Funding provision for the Acquisitions Scheme in future years will be considered as part of the annual review of the HRA Capital Investment Programme which is presented to the Council for approval.

Implications of the Report

1. Financial

The cost of purchasing properties will be funded by the HRA capital investment plan. There is currently around £600k available in capital receipts from the sales of 39 'last in the block' properties and it is anticipated that additional receipts will be generated from future sales.

The potential for additional funding will be considered as part of the annual review of the HRA capital investment plan. In certain circumstances, it may be possible to obtain up to £30,000 per unit in Scottish Government grant (as allowed for in the Strategic Housing Investment Plan 2019/20 – 2023/24), subject to the availability of funding.

The cost of improvement works to bring acquired properties up to the Scottish Housing Quality Standard and meet the Council's letting standard will be met within the Council's Housing HRA Capital Investment Plan.

2. **HR & Organisational Development** - None
3. **Community/Council Planning – Creating a sustainable Renfrewshire for all to enjoy –**
Improving and maintaining neighbourhoods and delivering affordable homes to meet individual and particular needs.
4. **Legal** – There will be a requirement for Legal Services to carry out conveyancing work.
5. **Property/Assets** – Officers from Property Services will value and negotiate with owners or their agents on the acquisition of properties.
6. **Information Technology** - None
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – None
9. **Procurement** - None.
10. **Risk** – None
11. **Privacy Impact** - None
12. **COSLA Policy Position** – N/A
13. **Climate Risk** – n/a

List of Background Papers

- (a) Report to the Housing and Community Safety Policy Board on 13 May 2014, 'Sale of Single Council Dwellings in Larger Common Blocks'.
- (b) Report to Council on 28 February 2019, 'Housing Revenue Account Budget and Rent Levels 2019/20 and Housing Capital Investment Plan 2019/20 to 2021/22.'

The foregoing background papers will be retained within Housing and Planning for inspection by the public for the prescribed period of four years from the date of the meeting.

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