

ANGUS COUNCIL

ANGUS COUNCIL 9 SEPTEMBER 2021

INGLIS COURT, EDZELL

**JOINT REPORT BY DIRECTOR OF LEGAL AND DEMOCRATIC SERVICES & INTERIM
DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH**

ABSTRACT

This Report provides details of a petition submitted to the Director of Legal and Democratic Services in relation to a building at Inglis Court, Edzell and the subsequent decision of the Scrutiny & Audit Committee to refer the matter to Council for debate. It also provides details of an unsolicited offer to buy this building at Inglis Court, Edzell being non-surplus Housing Revenue Account (HRA) asset and recommends that Council declines the unsolicited offer.

1. RECOMMENDATIONS

It is recommended that:

- (i) Council notes the petition submitted to the Director of Legal and Democratic Services by Inveresk Community Council in relation to Inglis Court, Edzell and considered by Scrutiny & Audit Committee on 24 August 2021;
- (ii) Council notes the decision of the Scrutiny & Audit Committee on 24 August 2021 to refer the matter to Council for debate;
- (iii) Council instructs the Interim Director of Vibrant Communities and Sustainable Growth to write to Inveresk Community Council confirming that the future of Inglis Court has been considered by full Council and informing them of the decision;
- (iv) Council instructs the Interim Director of Vibrant Communities and Sustainable Growth to decline an unsolicited offer received for the purchase of a non-surplus Housing Revenue Account (HRA) asset at Inglis Court, Edzell; or
- (v) Should Council require further information to assist it to reach a decision in relation to this matter request that a further report is submitted to a future meeting of Council.

2. ALIGNMENT TO THE COUNCIL PLAN

This Report contributes to the achievement of our priority that the council is efficient and effective as detailed in our Council Plan for 2021 – 2024 and contributes to the outcomes contained within the Angus Community Plan and Council Plan, which focus on Economy, People, Place and Our Council:

ECONOMY

- An inclusive and sustainable economy

PLACE

- Safe, secure, vibrant and sustainable communities
- An enhanced, protected and enjoyed natural and built environment

3. BACKGROUND

3.1 A Petition was submitted to the Director of Legal and Democratic Services on 28 July 2021 signed by approximately 745 people. The Petition was headed "Petition to Angus Council Regarding Inglis Court, Edzell" and stated: -

"We the People and Council Tax payers of Edzell and the surrounding area DEMAND that the future of Inglis Court be reconsidered by Angus Council at a full Council meeting with proper debate permitted. We want it returned to its designed use: Sheltered Housing with a live-in Warden, whether this be run by the Council or by a private company. It should NOT be demolished to make way for new housing."

This petition was reported to Scrutiny & Audit Committee on 24 August 2021 (Report No 262/21) in accordance with Standing Order 14. Scrutiny & Audit Committee had the following options:

- (i) note receipt of the petition and take no further action;
- (ii) determine that appropriate action has already been taken or is planned and no further action is necessary;
- (iii) request a fuller report from the relevant officer;
- (iv) undertake a detailed scrutiny review, gather evidence and make recommendations to the relevant committee; or
- (v) refer the matter to Full Council where in the view of the Committee, its significance requires a debate.

Scrutiny & Audit Committee resolved to refer the matter to Full Council.

3.2 It is noted that the Petition asks that the property at Inglis Court be "returned to its designed use: Sheltered Housing with a live-in Warden, whether this be run by the Council or by a private company." The council does not dispute that while there may be demand for Sheltered Housing with a live in warden within the private sector, there is little demand for social sheltered housing in the public sector, as the additional costs of wardens makes the service charge too high for many people. Every tenant would have to pay this charge, irrespective of whether they wanted the service or not. This is evidenced by the unacceptably high levels of empty properties in this development over the years prior to it being vacated, despite significant investment and improvements in 2012. Even after the Council had redesignated the properties as retirement homes, rather than sheltered housing, there continued to be low demand for them. In terms of a potential sale of Inglis Court to a private company with a designated use as Sheltered Housing with a live-in Warden, this is not without difficulties. The current legal land-ownership framework in Scotland discourages any restrictions on future use when a property is sold. Consequently, such restrictions, for example use as sheltered or retirement housing can be difficult to enforce particularly over the longer term and can be successfully challenged by a purchaser and indeed a future purchaser. This means that in the event of a sale, there can be no guarantees that the property will retain its use as sheltered or retirement housing in the future.

3.3 A second unsolicited offer has been received for the purchase of Inglis Court, Edzell. Details of the offer are attached at Appendix 1 (exempt). However, the asset has not been declared surplus to requirements and continues to form an important part of the HRA Capital Programme. It is included in the approved Strategic Housing Investment Plan (SHIP) as part of the delivery mechanism for the long-term strategic approach set out in the Local Housing Strategy (LHS) which supports the need for affordable housing in rural areas. The building on the site has been vacated to allow for proposed demolition and subsequent development of 21 new Council homes for rent, supported by significant grant investment by the Scottish Government.

3.4 Full details of the Inglis Court redevelopment, including the demolition proposals, were put before elected members in public committee reports for consideration and decision on eight occasions between November 2018 and February 2021 and unanimously agreed on each occasion. On matters such as this, Council officers can only make recommendations to elected members and it is the elected members who make the decisions.

Where decision was taken	Proposal	Outcome
<p>1. Communities Committee 13 November 2018</p>	<p>Report No 345/18 by the Head of Communities on the Strategic Housing Investment Plan (SHIP) 2019/20 -2023/24 advising members on the Strategic Housing Investment Plan (SHIP) for 2019/20 – 2023/24; and also of proposals for the use of resources from the Affordable Housing Reserve Account to support the supply of new affordable housing.</p> <p>https://www.angus.gov.uk/media/agenda_item_no_9_report_no_34518_strategic_housing_investment_plan_201920_202324</p> <p>https://www.angus.gov.uk/media/agenda_item_no_9_report_no_34518_strategic_housing_investment_plan_201920_202324_appendix_1</p> <p>https://www.angus.gov.uk/media/agenda_item_no_9_report_no_34518_strategic_housing_investment_plan_201920_202324_appendix_2</p>	<p>The Committee agreed:-</p> <p>(i) to note the contents of the Report and approve the content of the SHIP 2019/20 – 2023/24, as detailed in Appendices 1 and 2;</p> <p>(ii) to approve the ongoing development of the SHIP and its associated programme plans and procedures, with the Council's partners during the lifetime of the Plan; and</p> <p>(iii) to approve the use of AHRA reserves towards projects which would increase the supply of affordable housing across Angus. (Inglis Court redevelopment was included as part of this Report).</p> <p>Agreed unanimously</p>
<p>2. Communities Committee 12 February 2019</p>	<p>Report by the Head of Communities and the Head of Finance and Legal in respect of Housing Revenue Account Rent Setting and Budget Strategy 2018- 2023 (Report No.: 47/19 refers).</p> <p>https://www.angus.gov.uk/media/agenda_item_no_4_report_no_4719_housing_revenue_account_rent_setting_and_budget_strategy_2018</p> <p>https://www.angus.gov.uk/media/agenda_item_no_4_report_no_4719_housing_revenue_account_rent_setting_and_budget_strategy_2</p>	<p>The Committee agreed to set a HRA Capital Plan for the financial year 2019/2020 based on the rent strategy adopted as well as the indicative level of programme for the financial years 2020/21 to 2022/23. This Capital Plan (Appendix 3 to Report No.:47/19) included the demolition of Inglis Court and provision of 20 units of affordable housing on the site.</p> <p>Agreed unanimously</p>
<p>3. Communities Committee 12 November 2019</p>	<p>Report by the Director of Communities on the Strategic Housing Investment Plan (SHIP) for 2020/21 – 2024/25 and proposals for the use of resources from the Affordable Housing Revenue Account (AHRA). The redevelopment of Inglis Court was included in the SHIP (see appendix 2)</p> <p>https://www.angus.gov.uk/sites/default/files/2019-</p>	<p>The Committee agreed:-</p> <p>(i) to note the contents of the Report and to approve the content of the Strategic Housing Plan 2020/2021 – 2024/2025, as detailed in Appendix 1 and Appendix 2 to the Report; and</p> <p>(ii) to approve the ongoing development of the SHIP, and its associated programme plans and procedures, with the Council's partners, during the lifetime of the Plan.</p>

	<p>11/370 App2.pdf Report 370/19 refers</p> <p>https://www.angus.gov.uk/media/agenda_item_no_6_report_no_37019_strategic_housing_investment_plan_ship_appendix_1</p> <p>https://www.angus.gov.uk/media/agenda_item_no_6_report_no_37019_strategic_housing_investment_plan_ship_appendix_2</p>	<p>Agreed unanimously</p>
<p>4. Communities Committee 11 February 2020</p>	<p>Report by Director of Communities and Director of Finance setting out the Housing Revenue Account (HRA) budget strategy for the period 2020/21-2023/24 and seeking approval of rent levels and other associated charges for 2020/21. It sets out estimated income and expenditure for 2020/21, capital investment proposals, affordability assessment and recommends a continued programme of investment in new and existing stock.</p> <p>The demolition of Inglis Court and the provision of 20 affordable houses on the site was included in Appendix 3 (Report No.: 43/20 refers)</p> <p>https://www.angus.gov.uk/media/agenda_item_no_5_report_no_4320_housing_revenue_account_rent_setting_and_budget_strategy_202021_2</p>	<p>HRA Capital Plan set by the Communities Committee. It included the demolition of Inglis Court and the provision of 20 affordable houses on the site.</p> <p>Agreed unanimously</p>
<p>5. Communities Committee 29 September 2020</p>	<p>Report by Director of Communities being updated HRA Capital Plan approved by the Communities Committee. The demolition of Inglis Court and the provision of 20 affordable houses on the site was also included in this meeting (Report No.: 240/20 refers)</p> <p>https://www.angus.gov.uk/media/agenda_item_no_6_report_no_24020_housing_revenue_account_capital_plan_2020_24</p> <p>https://www.angus.gov.uk/media/agenda_item_no_6_report_no_24020_housing_revenue_account_capital_plan_2020_24_appendix_1</p>	<p>The Committee agreed:</p> <p>(i) to note that the 2019/20 actual position on the HRA Capital Plan as at 31 March 2020 was submitted to the meeting of Angus Council on 12 August 2020 (Article 8 of that minute refers);</p> <p>(ii) to approve the contents of the updated 2020/21 HRA Capital Plan, attached as Appendix 1 to the Report;</p> <p>(iii) to note that the 2020/21 HRA Capital Plan represented the HRA's approved budget for capital monitoring purposes; and (iv) to note the Provisional Budget for the 2021/22 – 2023/24 HRA Capital Plan.</p> <p>It included the demolition of Inglis Court and the provision of 20 affordable houses on the site.</p> <p>Agreed unanimously</p>

6. Policy and Resources Committee 27 October 2020	<p>Report by the Director of Communities (Report No 258/20 refers). This related directly to the proposed redevelopment of Inglis Court following the receipt of an unsolicited offer to purchase the current building at Inglis Court.</p> <p>https://www.angus.gov.uk/media/agenda_item_no_14_report_no_25820_offer_to_buy_a_non_surplus_hra_asset_at_inglis_court_edzell</p>	<p>The Committee agreed unanimously to instruct the Director of Communities to decline the unsolicited offer received for the purchase of a non-surplus Housing Revenue Account (HRA) asset at Inglis Court in Edzell.</p> <p>Agreed unanimously</p>
7. Communities Committee 19 January 2021	<p>Report by the Director of Communities - this report informs members on the Strategic Housing Investment Plan (SHIP) for 2021/22 – 2025/26 and proposals for the use of resources from the Affordable Housing Revenue Account (AHRA). Report 1/21 refers. It included the demolition of Inglis Court and the provision of 20 affordable houses on the site (Appendix 1)</p> <p>https://www.angus.gov.uk/media/agenda_item_no_4_report_no_0121_strategic_housing_investment_plan_202122_202526</p> <p>https://www.angus.gov.uk/media/agenda_item_no_4_report_no_0121_strategic_housing_investment_plan_202122_202526_appendix_1</p>	<p>The Committee agreed:</p> <p>(i) to approve the content of the Strategic Housing Investment Plan 2021/22 – 2025/26 as detailed in Appendix 1 to the Report; and</p> <p>(ii) to approve the ongoing development of the SHIP, and its associated programme plans and procedures, with the Council's Registered Social Landlord partners during the lifetime of the Plan. It included the demolition of Inglis Court and the provision of 20 affordable houses on the site.</p> <p>Agreed unanimously</p>
8. Communities Committee 9 February 2021	<p>Report by the Director of Communities and Director of Finance being the Housing Revenue Account (HRA) Capital and Revenue performance in 2020/21. It sets out the actual Capital and Revenue spend to 31 December 2020 together with projected outturns for the year to 31 March 2021 and any required updated capital funding proposals. (Report No.:25/21& appendix 3 refers)</p> <p>https://www.angus.gov.uk/sites/default/files/2021-02/25.pdf & https://www.angus.gov.uk/sites/default/files/2021-02/25_App3.pdf which also included the demolition and new build at Inglis Court.</p>	<p>The Committee agreed:</p> <p>(i) to approve the revenue budget for 2021/22 as detailed in Appendix 1 to the Report; and</p> <p>(iv) to set an HRA Capital Plan for the financial year 2021/22 based on the rent strategy adopted as well as the indicative level of programme for the financial years 2022/23 to 2024/25 as detailed in Appendix 3 to the Report. This included the demolition and new build at Inglis Court.</p> <p>Agreed unanimously</p>
9.	Report by the Service Leader, Planning & Communities.	The Committee agreed that the application be approved for the reason and subject to the

<p>Development Standards Committee 18 May 2021</p>	<p>The report deals with planning application No 20/00828/FULL for the demolition of sheltered housing, erection of 21 affordable homes and ancillary works at Inglis Court, Lindsay Place, Edzell for Angus Council. The report sets out that the application was recommended for approval subject to conditions. https://www.angus.gov.uk/sites/default/files/2021-05/149.pdf</p>	<p>conditions as detailed in Section 10 of the Report. Agreed unanimously</p>
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3.5 In its current form Inglis Court consists of 24 one-bed properties and a three-bed property which was formally the Warden's house. The sheltered housing complex was built in 1977 and underwent modernisation in 2012, including installation of a lift and level access showers in all properties. It was re-designated as retirement housing in 2016 as part of the wider review of housing for older people, following the introduction of the national policy initiative of Self-Directed Support (SDS) to help older people live at home for longer. This changed the criteria for allocating properties to remove restrictions around applicant support needs, thus making the properties available to a wider range of older people.

3.6 Despite these improvements and changes to provide a more flexible housing model, demand for housing at Inglis Court fell considerably between 2013 and 2018. At March 2018 there were seven voids, and then by November 2018 this had increased to 13, which equates to over 50% of the units, with only two applicants on the housing list who were suitable to be considered for retirement housing in Edzell. This reflects a general trend which sees older people less inclined to move to sheltered or retirement housing because their care and support needs can be met in their existing home. The view of the Angus Health and Social Care Partnership (AHSCP) is that there does not appear to be the demand for retirement housing in Edzell. Although there is an older population in the village, it is known that people want to stay in their own homes for as long as possible, and can be supported to do so by the provision of care and support services via Self Directed Support and the provision of equipment and adaptations to their existing property. The table below shows the profile of terminations and lets from 2013, with properties remaining empty for considerable periods of time, including some since 2016. This indicates a significant loss of resource in terms of both accommodation and rental income in a village the size of Edzell.

Terminations and Lets (Inglis Court¹)

	Number of Terminations	Number of Lets	Number Void 31 March	% Void 31 March
2013/14	3	2	1	4%
2014/15	5	6	0	0%
2015/16	8	2	6	25%
2016/17	11	11	6	25%
2017/18	4	3	7	29%

3.7 In contrast to the low demand being experienced for either Social Sheltered Housing or Social Retirement Housing, demand for mainstream Social housing in Edzell remains strong. The Council currently provides 44 mainstream homes in Edzell and from 2015/16 there were 17 void instances. There have only been two voids within the last two years. The average relet time was 28 days which is in line with performance across all stock and indicates no issues with demand.

3.8 As a further indication of the demand for affordable mainstream housing in Edzell, there are currently 246 people on the housing list who wish to be considered for the Edzell area. The majority of applicants (59%) require a one-bed property, in common with the profile of housing need across Angus, however there is also demand for two-bed (22%) and three-bed (11%)

¹ This includes the 24 retirement homes but excludes the former Wardens house used as temporary accommodation.

homes. 67% of the existing 246 waiting list applicants are under 55 years old and therefore not suitable for sheltered or retirement housing.

- 3.9 As a rural service centre, Edzell is a priority area for the provision of affordable housing in Angus. The Local Housing Strategy has a specific action to increase the supply of affordable housing in rural areas with a focus on the rural service centres. The housing mix for the proposed redevelopment takes into account the current demand for social housing in Edzell as well as the impact the local school extension, completed at a cost of £1.5m, is likely to have on the need for family accommodation. It will also provide much needed specialist accommodation in line with our commitment to deliver wheelchair accessible and particular needs housing. While the proposed development would result in an overall reduction in the number of units, this should be considered alongside the long-term void rate of the current complex, where properties have been empty and unoccupied for long periods of time. The proposed development would result in a net increase in bed spaces (rising from 54 to 64) as it would provide a mix of house types, allowing a greater number of people to be accommodated, albeit, in fewer homes.
- 3.10 In July 2020, Elected Members representing Edzell and Brechin were invited to attend a briefing session to discuss the Angus Council developments for their areas that were included within the proposed Strategic Housing Investment Plan (SHIP) 2021/22. The redevelopment of Inglis Court was included within the SHIP and members were fully briefed on the development proposals. Formal consultation was completed with the community as part of the pre planning application process (Report No.: 149/21 refers). Eight letters of representation were received and considered in the assessment of the application. The assessment concluded that the proposals are compatible with development plan policy and there were no material planning considerations that justify refusal of planning permission. Planning permission was granted by the Development Standards Committee on 18 May 2021.
- 3.11 A thorough exercise has already been undertaken to re-accommodate tenants from Inglis Court. This exercise was undertaken on the basis that tenants were leaving their homes in order for the site to be redeveloped for new Council housing which meets the needs of the Edzell community. There is therefore an expectation on behalf of our tenants that this will be the case, however, this expectation would not be delivered if the site were sold to a third party. To change this approach now could severely impact the Council's reputation to deliver in the best interests of tenants.
- 3.12 If new affordable social housing units for rent are not delivered on this site, an alternative would have to be found. However, the Angus Local Development Plan identifies only two housing sites within the Edzell development boundary. The first of those sites has planning permission for the erection of 13 residential units, and the Council's Housing Land Audit 2020 indicates that the site is now complete. The second site is allocated for a residential development of around 50 units. Neither of these sites is within Council ownership. This means that an alternative site would have to be found elsewhere, to ensure that a number of objectives are met;
- 1) so that the unit targets contained within the SHIP are delivered;
 - 2) so that the grant agreements with the Scottish Government can be satisfied.

Although a search for an alternative site which meets identified need and demand would include the North Angus Housing Market Area, there is a risk that suitable sites would be elsewhere in Angus, and investment would therefore be re-directed to other localities.

- 3.13 In addition to the above objectives, there is a need to ensure that appropriate affordable housing opportunities are available for people on lower incomes. As these opportunities would not be in Edzell, there is a danger that the housing tenure profile of the village would become more skewed towards owner occupation, reducing the chances for people to access rented housing with the security of tenure that Social Housing provides. The Council would also be unable to increase the availability of housing for families within the Edzell area.
- 3.14 Members should also note that specific guidance from the Scottish Government sets out the process which must be followed in order for the HRA to dispose of assets. This guidance includes a requirement for the Council to consult fully with tenants prior to any disposal. In this case it is felt that it would be proportionate to consult with all HRA tenants if the Council Tenants Steering Group agree to that being appropriate. The guidance also provides that Councils must take account of Council tenants' views and be able to demonstrate that they have taken account of them in reaching their decisions. As part of the framework for disposing of HRA assets, Scottish Ministers' consent is required. Previously the Council usually had to seek consent for

each transaction, but Scottish Ministers now have a general consent process for sales which can apply. This means that when a proposed disposal meets certain criteria, there is no need for site specific Scottish Ministers' approval in most cases. In the normal course of events, for the sale to be covered by Scottish Ministers' General Consent provisions, the Council must demonstrate that (i) consultation has taken place with tenants as described above, and (ii) any site disposal is for more than 75% of the market value. There are also exceptions to the second requirement (as provided for in Scottish Government Guidance). Therefore, an external independent valuation would be obtained in order to inform any decision about disposal. A further report would be brought to members to allow members to take account of the consultation and the valuation, and to decide if the site should be placed on the open market. A valuation would also be relevant in terms of evidencing how best value could be achieved. It should be noted that, if the requirements of the General Consent process cannot be met, then specific Ministerial consent for disposal would be required.

4. BEST VALUE

- 4.1 In order to determine whether or not the offer represents Best Value for Angus Council tenants, an assessment has been made of both the financial and non-financial merits of the offer. The Housing Service has confirmed that the asset is currently not surplus to requirements and therefore not available for sale. This does not mean that the current building on the site is fit for Social Housing purposes – it is not. A long standing trend of the accommodation being under-utilised, alongside the corresponding loss of rental income, represents a very inefficient use of resources, and therefore adopting a “do nothing” approach, regardless of the condition of the building, is simply not an option in terms of either providing Best Value, or in terms of managing the Housing Stock efficiently on behalf of rent payers. It also does not conform with the Scottish Social Housing Charter which requires social landlords to ‘manage all aspects of their businesses so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay’.
- 4.2 There is however, still very much a need for the Council to continue to provide affordable Social mainstream housing for rent in Edzell, so that vulnerable people in the community and those less well-off can have the opportunity to access housing that meets their needs for many years to come. A planning application for the demolition of the existing properties and development of 21 new build homes has been approved (Report No. 149/21 refers) with the intention that the new Housing units will be built during 2021-24. The development of one, two and three bed homes, reflects current and projected housing need and demand within Edzell.
- 4.3 On the basis of the detail provided at sections 3 and 4 above and Appendix 1 attached, the current approach (redevelopment by the HRA) is considered to provide the best value approach for council tenants. Full details of the Best Value assessment are contained within Appendix 1. However, it should be recognised that there has recently been opposition expressed in the local community to this course of action and submission of the Petition referred to above.

5. PROPOSALS

- 5.1 It is recommended that Council instructs the Interim Director of Vibrant Communities and Sustainable Growth to decline the unsolicited offer received for the HRA asset at Inglis Court, Edzell, this on the basis that: -
- The asset is not surplus to HRA requirements;
 - There is identified demand for mainstream Social housing in Edzell and the North Housing Market Area;
 - The increased number of bed spaces that would be provided through HRA development;
 - The rural service centre nature of Edzell as a priority area for the provision of affordable housing;
 - The lack of a suitable alternative readily available site in Edzell
 - The financial position as set out in Appendix 1;
 - To change our position could severely impact the Council's reputation to deliver in the best interests of tenants.
- 5.2 If Council approves recommendation (iv) and determines to decline the offer and requires no further information in terms of recommendation (v) then the redevelopment of Inglis Court will proceed in accordance with the decisions of the Council referred to in Paragraph 3.4 above.

- 5.3 Financial Regulation 17.2 (6) covers instances where the Council receives unsolicited offers for its assets. The Regulation states that if an unsolicited approach to acquire land or property which has not been declared surplus to requirements is made, the service holding the asset will first determine whether it is potentially surplus to requirements. If it is confirmed that the property is surplus to requirements, then the process outlined in Financial Regulations should be followed which entails a report to members in terms of any final decision regarding the future use of the land or property.
- 5.4 In this case the Housing Service has confirmed that the asset in question is not surplus to their requirements. It is open to Council to decline the unsolicited offer to purchase Inglis Court. However, if Council is not minded to decline the offer then Council cannot simply accept the offer to purchase now. This would not be legally competent. Inglis Court forms part of a portfolio of properties held on the Housing Revenue Account by the Council and there are statutory requirements that must be followed before any such property can be declared surplus to requirements and sold. Members should also note that subject to certain exceptions as set out in the Disposal of Land by Local Authorities (Scotland) Regulations 2010, (2010 Regulations), there is also a legal obligation on Councils under section 74 of the Local Government (Scotland) Act 1973 to ensure that in the sale of any property or land whether held on the HRA account or otherwise that it receives “the best consideration that can reasonably be obtained”. In order to ensure that this is the case, the Financial Regulations under Section 17.2 detail that in all cases where land or buildings are declared surplus to requirements, competitive tenders shall be invited by public advertisement for the disposal of the land or buildings. Where prior approval of members is sought, disposal by negotiation at less than best value in accordance with 2010 Regulations can take place or alternatively disposal through auction where it is appropriate, subject of course to the requirements already outlined for HRA properties.
- 5.5.1 The first step, prior to being able to consider if the property can be declared surplus to requirements, would be to consult with tenants in respect of the proposals and take account of tenants’ views and be able to demonstrate that these views have been taken account in reaching any decision on the future use of the property. Thereafter, the Council would require to comply with the requirements of the Scottish Ministers in respect of their required consent in terms of Section 12 of the Housing (Scotland) Act 1987 as outlined in paragraph 3.14 and also the legal requirements in relation to disposing of properties as outlined in paragraph 5.4.

6. FINANCIAL IMPLICATIONS

- 6.1 All costs for the project to develop the Inglis Court site are contained in current HRA resources. A financial assessment of the offer has been undertaken and compared with the cost of demolishing the existing building versus purchasing another site suitable for delivering much needed affordable housing. This assessment has determined that selling the Inglis Court site would incur a net cost to the HRA. This includes the opportunity cost of disposing of a viable site which has already been subject to design work and other preparatory studies.
- 6.2 However, if members wish to consider the option of the asset being declared surplus and then put on the open market for sale, members should note that all sale proceeds would be payable to the HRA, and not the General Fund.

NOTE: The background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to a material extent in preparing this above report are:

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| • Communities Report 370/19 | Strategic Housing Investment Plan (SHIP) |
| • Communities Report 01/21 | Strategic Housing Investment Plan (SHIP) |
| • Communities Report 329/17 | Local Housing Strategy |
| • Policy and Resources Report 258/20 | Offer to Buy a Non Surplus HRA Asset at Inglis Court, Edzell |
| • Development Standards Report 149/21 | Planning Application – Inglis Court, Lindsay Place, Edzell |

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Appendix 1: EXEMPT Appendix – Detail of unsolicited offer