

ANGUS COUNCIL

4 NOVEMBER 2021

INGLIS COURT, EDZELL - OPTIONS

REPORT BY ALISON SMITH, INTERIM DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH

ABSTRACT

This Report provides options so that Council can determine the future use of the building/site at Inglis Court, Edzell.

1. RECOMMENDATIONS

It is recommended that:

- (i) Council considers the options set out in **Appendix 2** and determines which option should be actioned.
- (ii) Council instructs the Interim Director of Vibrant Communities and Sustainable Growth to take forward its preferred option.

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. It is considered that depending on which option is preferred, that the options being assessed could contribute to:

ECONOMY

- Supporting business and economic growth by improving physical and digital infrastructure.
- Maximising the economic impact of tourism in Angus.

PEOPLE

- Reducing social isolation and loneliness.
- Offering citizens a range of opportunities to help them achieve potential and reduce poverty.

PLACE

- Continuing to reduce the Council's carbon footprint with the aim of reducing our net carbon emissions to zero by 2045.
- Increasing the supply of affordable housing and improve the Council's current housing stock so it is fit for the future.

OUR COUNCIL

- Identifying any further opportunities for efficiencies in revenue budget
- Identifying efficiencies in capital spend through end to end review of programme and projects.

3. BACKGROUND

- 3.1 Inglis Court is a retirement complex held on the Council's Housing Revenue Account (HRA). In its current form it 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.

- 3.2 Consequently it has been agreed that the site be redeveloped as affordable rented Council housing to meet current and future needs of a wider group of people. Full details of the Inglis Court redevelopment proposals, including demolition, have previously been put before elected members in public committee reports for consideration and decision on eight occasions between November 2018 and February 2021. These are listed in Report no. 287/21. Planning permission was subsequently granted by the Development Standards Committee on 18 May 2021 for 21 new Council homes for rent (Report no. 149/21 refers).
- 3.3 The matter was put before Council again on 9 September 2021 (Report no.287/21 refers) so that all aspects could be debated in the round, including consideration of a second unsolicited offer for the purchase of Inglis Court, and a petition from people in the community which had been submitted to the Director of Legal and Democratic Services on 28 July 2021.
- 3.4 At the meeting on 9 September Members agreed an amendment which is reproduced in **Appendix 1**. The amendment requested that the Interim Director of Vibrant Communities and Sustainable Growth bring a report to Council setting out:
- A.** Valuations from two independent companies of the following:
- 1) Inglis Court site as is, i.e. a vacant site with the existing building in situ.
 - 2) A demolished site with its current approved planning permission for 21 houses.
 - 3) The total value if the existing 25 properties were sold individually.
- B.** An options appraisal of the following different options for the future of Inglis Court:
- 1) Demolish Inglis Court and redevelop as per the existing Strategic Housing Investment Plan (SHIP) and approved planning permission. A figure to be provided for the site cost, build cost and total cost for each of the property types in the proposed new development. These figures also to be provided on a square metre basis.
 - 2) Declare Inglis Court surplus to requirements as an HRA asset and sell the site on the open market either as 1 lot or as 25 individual properties
 - 3) Re-let Inglis Court as sheltered housing both with and without a warden. Details of known improvements required to the building now or in the future should be included.
 - 4) Lease Inglis Court to a third party for them to provide sheltered social housing to Angus citizens. Details of known improvements required to the building should be included.
 - 5) Lease Inglis Court to a holiday let company.
 - 6) Refurbish the existing Inglis Court building to provide family social housing which meets required standards for such accommodation.

The Report to include information on the carbon impact of the above options.

4. PROPOSALS

- 4.1 Council Officers from several services have liaised to collate the relevant information requested by Council in the amendment. It should be noted that this has involved considerable staff resource which has meant that other activities have been impacted, including slippage of other projects.
- 4.2 Valuations have been obtained for the Inglis Court site as seen, from two independent respected Chartered Surveyor companies, Ryden and Shepherd. Main conclusions from the valuation reports are included in the relevant options at **Appendix 2**, and the two reports are attached in full at **Appendix 3 (Exempt)**.
- 4.3 Options appraisals have been carried out on each of the options requested by Council and assessed against a number of criteria using an options appraisal template. Full details and results of these are attached at **Appendix 2**. The table below summarises the results of the scoring assessment:

<i>Option</i>	Score	Weighted Score
<i>Option 1 - Demolish and redevelop</i>	10	175
<i>Option 2 - Sale</i>	1	20
<i>Option 3 - Relet as sheltered housing</i>	-7	-100
<i>Option 4 - Lease to 3rd party to let as sheltered housing</i>	-7	-100
<i>Option 5 - Lease to holiday let company</i>	-7	-110
<i>Option 6 - Refurbish to provide family housing</i>	4	70

4.4 It is recommended that Council considers the options set out in **Appendix 2**, determines which option should be actioned; and instructs the Interim Director of Vibrant Communities and Sustainable Growth to take forward its preferred option. In making their determination members should note that options appraisal information should be used to guide their decision making not dictate it - members have a role to exercise their own judgement in making decisions on options appraisals. The results of an options appraisal are nevertheless important in demonstrating best value so the reasons for members choosing a particular option need to be clearly articulated from a best value perspective. Where the Council would be relying on a third party to buy, or lease the building (Options 2, 4 and 5) it is not possible at this stage to determine if these options would provide best value. Further progress and detail would be required on whichever option were to be taken forward as part of future reports, 4.5 It should be noted that the options appraisal was carried out on the basis that all required legal consents were in place. However, several of the options, should they be determined by Council as the preferred way forward, would be subject to relevant legal processes and consents, including further consideration by Council. . These are as follows:

- Option 1. No additional requirements.
- Option 2. 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. Accordingly if members instruct the Interim Director of Vibrant Communities and Sustainable Growth to take forward option 2 to dispose of the asset, the Council would need to consult with tenants, and a further report brought back to committee detailing the results of the consultation, so that committee could decide if the site should be placed on the open market. As part of the framework for disposing of HRA assets, Scottish Ministers' consent is required; a general consent process is in place for sales which meet certain criteria, which avoids the need for site specific Scottish Ministers' approval. For the sale to be covered by Scottish Ministers' General Consent provisions, the Council must demonstrate that any site disposal is for more than 75% of the market value (unless the end use would be social housing). It should be noted that if these two matters cannot be satisfied, then the General Consent process is not sufficient and therefore Ministerial consent for disposal would be required.

Although not part of any legal process or requirement, members may wish to note, as detailed in the options appraisal, any sale which attempts to restrict the future use of a property may result in that restriction being unenforceable, or if enforceable, open to challenge in the future.

- Option 3. If it were determined by Council that the preferred way forward was to re-let Inglis Court as sheltered housing with a warden, approval would be required by the Integrated Joint Board (IJB) for the Angus Health and Social Care Partnership (AHSCP) to agree the appropriate supported housing model and provide the necessary staffing arrangements.
- Option 4. Further work may be required to confirm whether this option would be considered as the asset being surplus to requirements. If this were the case then the processes and necessary agreements described for option 2 above, would apply.

- Option 5. Further work may be required to confirm whether this option would be considered as the asset being surplus to requirements. If this were the case then the processes and necessary agreements described for option 2 above, would apply.
- Option 6. No additional requirements other than Building Standards approvals.

5. FINANCIAL IMPLICATIONS

- 5.1 All costs for the original proposal (option 1) to develop the Inglis Court site are allowed for in the approved HRA Capital Plan and thus would be contained in current HRA resources.
- 5.2 If members wish to consider the options of the asset being declared surplus and then put on the open market for sale, or leased to another organisation, members should note that all sale or lease proceeds would be payable to the HRA, and not the General Fund.
- 5.3 It should also be noted that as Appendix 2 makes clear, assessment of the financial implications is particularly challenging in relation to those options where the Council would be relying on a third party to buy, or lease the building (Options 2, 4 and 5). The full financial implications of any sale, or lease are unknown, as is the deliverability and timescales for those options to come to fruition. Scoring of these options has taken account of the cost implications for the HRA to replace the asset with another to enable the delivery of a similar number of housing units elsewhere. The Council is also required to obtain best consideration when disposing of assets unless the Council determines otherwise in accordance with statutory provision.

6. RISK

- 6.1 Risks associated with each Option that Council is being asked to consider have been noted in the Option Appraisal in **Appendix 2**

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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| • Angus Council. Report 287/21 | Inglis Court, Edzell |
| • Development St. Report 149/21 | Planning Application Inglis Court, Lindsay Place, Edzell |
| • Communities. Report No 25/21 | HRA Capital and Revenue performance 20/21 |
| • Communities. Report 1/21 | Strategic Housing Investment Plan (SHIP) 21/22–25/26 |
| • Policy and Res. Report 258/20 | Offer to Buy Non Surplus HRA Asset Inglis Court, Edzell |
| • Communities. Report 240/20 | HRA Capital Plan |
| • Communities. Report 43/20 | HRA budget strategy 20/21- 23/24 |
| • Communities. Report 370/19 | Strategic Housing Investment Plan (SHIP) 20/21–24/25 |
| • Communities. Report 47/19 | HRA Rent Setting and Budget Strategy 18-23 |
| • Communities. Report 345/18 | Strategic Housing Investment Plan (SHIP) 19/20–23/24 |

REPORT AUTHOR:

Alison Smith, Interim Director of Vibrant Communities and Sustainable Growth

EMAIL DETAILS: Communities@angus.gov.uk