



Landbanking Policy

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SHR Regulatory Standards:

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
- The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

CHA Strategic Objectives

- To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
- To work in partnership with others, supporting our tenants and other customers, to maximise opportunities for physical and socio-economic regeneration in Clydebank.
- To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
- To promote social inclusion by applying principles of equality and diversity to everything we do

This policy can be made available on request in a variety of different formats, such as on tape, in large print and translated into other languages.

1. Introduction

- 1.1 Clydebank Housing Association (CHA) has agreed a development strategy that identifies the strategic objectives that underpin its development activities. In most cases, we will acquire sites for specific housing developments that have been identified in the Local Housing Strategy (LHS) and the Strategic Housing Investment Plan (SHIP) prepared by West Dunbartonshire Council.

We recognise that, from time to time, sites may become available in advance of specific proposals being identified, or sites may be available that are larger than our immediate proposals will support. We also recognise that it may be in the association's interest to seek to acquire such sites in order to achieve our corporate and strategic objectives in the longer term. This policy sets out the approach that we will take in the event that a site becomes available unexpectedly, either through being offered to the association or being identified by us (or our agents) as available. We recognise that, in acquiring a site that is too big for our anticipated requirements, there may be potential to enter into partnership with another RSL or with a developer. In all cases, we must be confident that a site that we are considering for acquisition has the potential to support the achievement of our Development Strategy and is in accordance with the priorities identified in the LHS. Furthermore, the acquisition must be fundable under Scottish Government funding arrangements and will not progress to acquisition until fully discussed with and supported by the Scottish Government's Housing Supply Division.

- 1.2 This policy will be applied in conjunction with our checklist on site assessment. The acquisition of all sites and properties must be in accordance with that checklist.

2. Purpose

- 2.1 This policy has been prepared to set out the circumstances in which CHA will acquire sites for landbanking. For the purposes of this policy, landbanking is defined as the acquisition of a site for an economically and effectively developable site for future affordable housing development where detailed proposals have yet to be developed and approved. The policy is also intended to be applied in the event of the association being offered vacant properties, for example by a developer who is unable to sell some or all of a recently completed development. The policy can also be applied in the event of CHA being identified by West Dunbartonshire Council as a partner in the acquisition of vacant properties (including former RTB) as part of the Scottish Government's Empty Homes Initiative. CHA's Asset Management Strategy deals with the Association's participation in initiatives such as Mortgage to Rent, which involve the purchase of occupied housing.

- 2.2 This policy takes account of the Regulatory Standards for Governance and Financial Management¹, particularly:

- Standard 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service

¹ Regulatory Standards of Governance and Financial Management (SHR 2012)

users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

- Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
- Standard 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

2.3 The policy also takes account of the Standards 4 and 13 in the Scottish Social Housing Charter² (Housing Quality and Value for Money)

3. Objectives

3.1 This policy is intended to ensure that we can:

- Meet our responsibilities to communities
- Take a long term approach to meeting our strategic objectives
- Identify potential sites for future development
- Respond positively to initiatives by landowners and developers, where their objectives accord with ours
- Anticipate and address changing demographic trends (e.g. by purchasing sites or properties in particular locations or of a size or with specific characteristics which are under-represented in our stock portfolio)
- Respond positively to funding opportunities

4. Site Availability

4.1 We recognise that potential sites for landbanking may become available by the following routes:

- Direct offer to sell to CHA by the current owner
- CHA being made aware that a site is being placed on the open market
- A site being offered to CHA by a developer
- Public bodies offering sites for sale

We will respond to all initiatives in accordance with this policy.

5. Acquiring Sites

5.1 We will only acquire sites (or parts of sites) for landbanking where we are satisfied that:

- The site has the potential to be developed to meet our agreed objectives (as set out in our Business Plan and Development Strategy) and the identified LHS priorities.
- Where not already zoned for housing use, we have positive indication of support from the planning authority.

² Scottish Social Housing Charter (Scottish Government 2012)

- The price is reasonable and does not exceed that approved by an independent valuer.
- We are not putting CHA's assets at risk as a result of the acquisition.

6. Assessing Potential

- 6.1 We will ensure that we maintain comprehensive and up to date information about housing need in the communities we serve through the application of our development strategy. Consequently, if a site becomes available, we will use our assessment of housing need in the area as a key criterion in our consideration of whether the acquisition of the site would meet our strategic objectives. If a site is offered or becomes available in an area in which there is no identified housing need, we will seek to establish the likelihood of that situation changing (for example by the introduction of new employment initiatives) before determining our response. We are unlikely to acquire a site for development in an area where neither the LHS nor our own assessments has identified or projected housing need.
- 6.2 As part of our housing needs assessment we will seek to identify suitable sites in the communities we are working with to meet these needs. Where no sites are immediately available, CHA will work to establish constructive relationships with landowners and other owners to attempt to ensure that, should they decide to sell, they will consider reaching an appropriate arrangement with CHA. We recognise that this may, occasionally, result in us being offered a site at a time that does not fit with our development plans. We would, in such circumstances, consider landbanking the site in accordance with this policy.
- 6.3 To determine whether a site has the potential to be developed to meet our objectives, we will consult the LHS and carry out an assessment of the site, in line with our Site Assessment Checklist. This assessment will include establishing with the relevant authorities whether the site has, or is likely to secure:
- Planning consent for housing
 - Access to water, drainage and sewerage infrastructure
 - Appropriate access to utilities (electricity, gas (where possible) and telecommunications)
 - Appropriate access to the site
- 6.4 If there is any doubt over the provision of these services, facilities or access, or if there is a likelihood of unfavourable ground conditions or unacceptable risk of flooding, we are unlikely to proceed.
- 6.5 We will seek to ensure that the site has the potential to be developed in accordance with the principles of sustainability (both environmental sustainability and the broader definition that is contained in our procurement strategy and which includes economic and community sustainability).
- 6.6 We recognise that sites may be offered to us by landowners who may wish to have some influence over the type of housing provided on the site. We will seek to accommodate any reasonable conditions that are imposed at the time the offer is made that are consistent with our objectives and charitable status. If a seller

proposes conditions that are unacceptable, however, whether because they have the potential to contradict our objectives, or adversely affect the valuation of the site and/or our ability to develop it, or do not reflect the housing needs identified in the area, we will not proceed with the acquisition.

7. Purchasing a Site

- 7.1 In the event of a site becoming available that we do not have specific plans for, but which we believe has the potential to be developed to meet the Association's objectives, we will seek an independent valuation. Where the site is too large for our immediate proposals, we will consider purchasing the whole site and landbanking the surplus for the future, in accordance with this policy.
- 7.2 We will not agree to purchase a site above the valuation set by the independent valuer.
- 7.3 We will always seek grant funding to support the purchase of a site for landbanking but may, in exceptional circumstances, consider funding acquisition (wholly or in part) through use of our reserves, for example where grant funding is not available at the time of purchase but is likely to be available at the time the site is being developed. We will only do this if we are satisfied that it is fully supported by the Scottish Government, the proposed development is included in West Dunbartonshire's Strategic Housing Investment Plan (SHIP) for future grant allocation and where programme slippage allows funding to be formally allocated. We will also ensure we are not putting the Association's assets at risk. In such cases, we will seek to recover the acquisition costs at the time when the scheme is being developed, as part of the overall scheme costs.
- 7.4 We will always seek to minimise pre-acquisition costs but this will not be at the expense of a comprehensive and thorough assessment of the feasibility of the site and its potential for development. We will recover all eligible costs from the scheme costs. To facilitate this, we will maintain comprehensive records of the costs incurred.
- 7.5 We will consider purchasing completed properties from a builder or developer that are ready to let provided the properties are situated in an area of identified housing need. Such properties will be located in an area where we already manage properties (or are sufficiently close to such an area to make it practicable for us to extend the service without increased cost or compromise to service quality). Any such properties would have to comply with the standards set out in our design guide and the financial terms would have to enable the properties to be set at rents that are consistent with our rent policy. We would seek grant funding to support the acquisition of such properties and are unlikely to consider using our reserves. We would require that the terms of all warranties (such as NHBC or equivalent) be transferred to CHA (or otherwise honoured). If this is not possible, the loss of such protection would be reflected in the price paid for the properties. Where such properties form part of a mixed tenure development, we will always seek to be appointed as the factor, if no such appointment has already been made.

7.6 We will consider purchasing individual empty properties located in a community in which we already have housing stock (e.g. as part of the Scottish Government's Empty Homes Initiative) as well as purchasing stock through other initiatives such as Mortgage to Rent. We must be satisfied that the price paid is consistent with an independent valuation that includes an accurate assessment of the property's current condition and all remedial works required to bring the property back into use and comply with our re-let standard. We must also be satisfied that we will be able to let the property at a rent set in accordance with our rent policy. We will always require grant funding to be available to support such purchases.

8. Developing Specific Proposals

8.1 Where we acquire a site and landbank it, we will identify a proposed development timeframe within a year of acquisition. We will include specific proposals in the subsequent SHIP. The acquisition of a landbanked site will not adversely affect the development proposals that we have agreed with individual communities. It is not our intention that the operation of this policy should disadvantage agreed plans and proposals for meeting identified housing needs or disrupt our agreed development programme.

9. Equal Opportunities

Our commitment to equal opportunities and fairness will apply irrespective of factors such as age, disability, gender reassignment, marriage, and civil partnership, pregnancy & maternity, race, religion or belief, sex, and sexual orientation.

Customer Consultation Required/Arranged	No
Intranet Update	Yes
F Drive Update	Yes
Website Update	No
Leaflet change required?	No
Newsletter Promotion?	No
Other information updated, e.g. posters, automatic email responses, post cards, answering machine messages, etc.	No
Equality Impact Assessment completed	Yes 21.03.19