

HOUSING AND TECHNICAL RESOURCES COMMITTEE

Minutes of meeting held in Committee Room 1, Council Offices, Almada Street, Hamilton on 5 June 2019

Chair: Councillor Josh Wilson

Councillors Present:

Councillor Alex Allison (*substitute for Councillor Graeme Campbell*), Councillor Robert Brown, Councillor Archie Buchanan, Councillor Jackie Burns, Councillor Janine Calikes, Councillor Stephanie Callaghan (Depute), Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Gerry Convery, Councillor Poppy Corbett, Councillor Maureen Devlin, Councillor Allan Falconer, Councillor Alistair Fulton, Councillor Geri Gray, Councillor George Greenshields, Councillor Eric Holford, Councillor Martin Lennon, Councillor Eileen Logan, Councillor Colin McGavigan, Councillor David Shearer, Councillor Collette Stevenson

Councillors' Apologies:

Councillor Graeme Campbell, Councillor Mo Razzaq, Councillor John Ross (ex officio), Councillor Jared Wark

Attending:

Finance and Corporate Resources

J Burke, Administration Assistant; M M Cairns, Legal Services Manager; H Goodwin, Finance Manager (Resources); C Lyon, Administration Officer; E McPake, Human Resources Business Partner; L O'Hagan, Finance Manager (Strategy)

Housing and Technical Resources

D Lowe, Executive Director; A Finnan, Head of Housing Services; J Forbes, Property Manager (Assets and Estates Services); F McCafferty, Head of Property Services

Chair's Opening Remarks

The Chair referred to the death of Councillor Sheena Wardhaugh, elected member for Council Ward 8 (East Kilbride Central North). As a mark of respect, all present observed a minute's silence.

1 Declaration of Interests

No interests were declared.

2 Minutes of Previous Meeting

The minutes of the meeting of the Housing and Technical Resources Committee held on 20 March 2019 were submitted for approval as a correct record.

The Committee decided: that the minutes be approved as a correct record.

3 Capital Budget Monitoring 2018/2019 - Housing and Technical Resources (excl HRA)

A joint report dated 1 May 2019 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted advising of progress on the capital programme for Housing and Technical Resources (excl HRA) for the period 1 April 2018 to 31 March 2019.

A number of accounting adjustments were required, however, those adjustments had no physical impact on the projects as it was an accounting entry only.

The Committee decided: that Housing and Technical Resources' capital programme (excl HRA) of £7.351 million and expenditure to 31 March 2019 of £6.895 million be noted.

[Reference: Minutes of 20 March 2019 (Paragraph 4)]

4 Capital Budget Monitoring 2018/2019 - Housing and Technical Resources (HRA)

A joint report dated 8 May 2019 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted advising of progress on the capital programme for Housing and Technical Resources (HRA) for the period 1 April 2018 to 31 March 2019.

£53.962 million had been spent on the Housing Capital Programme against a budget of £53.664 million, representing spend of £0.298 million higher than budget due to good progress on projects. Housing and Technical Resources had also received additional funding of £5.018 million, leaving a net budget of £4.720 million of additional budget to carry forward to contribute to future years' Housing Capital Programmes.

To reflect the profile of spend anticipated on the Housing Investment Programme, the 2019/2020 programme would be reduced by £0.110 million and the 2020/2021 allocation increased by £4.830 million.

The Committee decided: that Housing and Technical Resources' capital programme (HRA) of £53.664 million and expenditure to 31 March 2019 of £53.962 million be noted.

[Reference: Minutes of 20 March 2019 (Paragraph 5)]

Councillor Chalmers entered the meeting during this item of business

5 Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (excl HRA)

A joint report dated 1 May 2019 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted comparing actual expenditure at 1 March 2019 against budgeted expenditure for Housing and Technical Resources' revenue budget (excl HRA), together with a forecast for the year to 31 March 2019.

Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2019 was a breakeven position.

The Committee decided:

- (1) that the underspend of £0.207 million on Housing and Technical Resources' revenue budget (excl HRA), as detailed in Appendix A to the report, be noted;
- (2) that the forecast to 31 March 2019 of a breakeven position be noted; and
- (3) that the proposed budget virements be approved.

[Reference: Minutes of 20 March 2019 (Paragraph 6)]

6 Revenue Budget Monitoring 2018/2019 - Housing and Technical Resources (HRA)

A joint report dated 1 May 2019 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted comparing actual expenditure at 1 March 2019 against budgeted expenditure for Housing and Technical Resources' revenue budget (HRA), together with a forecast for the year to 31 March 2019.

Following the probable outturn exercise, the financial forecast for the revenue budget to 31 March 2019 was a breakeven position.

The Committee decided:

- (1) that the breakeven position on the Housing and Technical Resources' revenue budget (HRA), as detailed in Appendix A to the report, be noted; and
- (2) that the forecast to 31 March 2019 of a breakeven position be noted.

[Reference: Minutes of 20 March 2019 (Paragraph 7)]

7 Housing and Technical Resources – Workforce Monitoring – February to April 2019

A joint report dated 10 May 2019 by the Executive Directors (Finance and Corporate Resources) and (Housing and Technical Resources) was submitted on the following employee information for Housing and Technical Resources for the period February to April 2019:-

- ◆ attendance statistics
- ◆ occupational health statistics
- ◆ accident/incident statistics
- ◆ discipline, grievance and Dignity at Work cases
- ◆ analysis of leavers and exit interviews
- ◆ staffing watch as at 8 December 2018

The Committee decided: that the report be noted.

[Reference: Minutes of 20 March 2019 (Paragraph 8)]

8 Acquisition of 5 Quay Road North, Rutherglen

A report dated 30 April 2019 by the Executive Director (Housing and Technical Resources) was submitted on the acquisition of 5 Quay Road North, Rutherglen for use as a depot for Land and Fleet Services.

Land and Fleet Services currently provided grounds maintenance and street cleansing operations in the Rutherglen and Cambuslang area from a depot located at 5 Quay Road North, Rutherglen. The building at 5 Quay Road North was currently leased from SMG Investments Limited (in administration) and the rear yard, known as Seath Road, was leased from Kirkmanse Limited. Both leases were due to expire in September 2019.

Land and Fleet Services had confirmed that they no longer required the rear yard area known as Seath Road. The owners, Kirkmanse Limited, had been notified of the Council's intention not to renew the lease when it expired in September 2019.

The current rental for the building at 5 Quay Road North was £59,000 per annum, with the cost of dilapidations, due under the current lease, estimated to be in the region of £133,000 to £214,000.

The landlord of the building had entered administration in October 2018 and the administrator had approached the Council to either enter into a long-term lease or acquire the building.

Consideration had been given to a number of options, however, the option to acquire the building and to remain in occupation of the existing facility was considered the preferred option.

Acquisition of the building would be funded from £155,000 currently held in reserve for dilapidation works to the building and the remaining £195,000 from the Zero Waste Fund Programme.

The principal terms and conditions of the acquisition were detailed in the report.

The Committee decided:

- (1) that the building at 5 Quay Road North, Rutherglen be acquired from SMG Investments Limited (in administration), c/o Johnston Carmichael, for the sum of £350,000, exclusive of VAT, and in terms of the principal conditions contained in Section 4 of the report; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all other matters in respect of the acquisition and enter into the necessary legal agreements on terms which were in the best interests of the Council.

9 Acquisition of Land at Drumgray Avenue, Moray View, Uddingston

A report dated 16 April 2019 by the Executive Director (Housing and Technical Resources) was submitted on the acquisition of land at Drumgray Avenue, Moray View, Uddingston, extending to 1.178 acres or thereby, for the development of the Council's new build housing stock.

The site of the former gas works and depot at Moray View, Uddingston received planning consent from the Council for residential development in 2008. As a condition of the consent, the former owners of the site, Birch Estates Limited, entered into an Agreement with the Council, under Section 75 of the Town and Country Planning (Scotland) Act 1997, to reserve 2 plots within the development for affordable housing, extending to 1.178 acres, as shown on the attached plan.

Within the Agreement, the Council had an option to purchase the plots to develop social housing at a price of £400,000, subject to an indexation from 2008. The terms of the Agreement permitted the Council to nominate another Registered Social Landlord to acquire the land to develop social housing. In the event that neither of those options were exercised, the Agreement allowed for the site to be developed by the land owner for private housing on payment of a commuted sum to the Council to be determined by an independent valuation.

The site at Moray View had been acquired from Birch Estates in 2013 by BDW Trading Limited (Barratt Homes) and they had now developed the remainder of the land for private housing, with the affordable housing plots remaining undeveloped.

Provisional negotiations had been concluded with BDW Trading Limited for the Council to purchase the plots of land for the sum of £408,400. BDW Trading Limited had constructed access roads and footpaths to adoptable standard and services were available within close proximity of the plots.

The site and associated new homes had been under consideration for inclusion in the Council's new build housing programme and, based on initial feasibility studies carried out, it was proposed that this site be incorporated into the programme.

The principal terms and conditions of the acquisition were detailed in the report.

The Committee decided:

- (1) that the site at Drumgray Avenue, Moray View, Uddingston, extending to 1.178 acres or thereby, be acquired from BDW Trading Limited for the sum of £408,400, exclusive of VAT, and in terms of the principal conditions contained in Section 4 of the report, to accommodate the proposed development of the Council's new build housing stock; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all other matters in respect of the acquisition and enter into the necessary legal agreements on terms which were in the best interests of the Council.

10 Acquisition of Houses at Gilbertfield, Cambuslang – Section 75 Planning Reference CR/15/0239

A report dated 15 May 2019 by the Executive Director (Housing and Technical Resources) was submitted on the acquisition of 57 new houses at Gilbertfield, Cambuslang, as part of the new Council housing programme, in fulfilment of the Planning obligations associated with the private residential development of the site.

The site at Gilbertfield, Cambuslang was identified within the Council's Strategic Housing Investment Plan as a priority site in delivering the Council's new homes target.

At the special meeting of the Planning Committee held on 28 March 2017, Persimmon Homes Limited had been granted approval for the construction of 386 dwellings at Gilbertfield, Cambuslang which included an obligation for the on site provision of up to 54 affordable homes.

Having given consideration to the various construction and procurement options available, the Council had entered into negotiations with Persimmon Homes Limited to provide its planning obligation for new affordable homes via a turnkey arrangement, with the Council only paying the full amount due on completion of each house. The proposal had been developed on the basis of the Council's assessed need in terms of housing mix and layout and now consisted of 57 units. The proposal had been assessed by the Council as representing value for money.

The principal terms and conditions of the acquisition were detailed in the report.

The Committee decided:

- (1) that the 57 affordable dwellings at Gilbertfield, Cambuslang be acquired from Persimmon Homes Limited, for a total price not in excess of £8.3 million (which included the cost of land), and in terms of the principal conditions contained in Section 4 of the report, to fulfil the Planning obligations associated with the residential development of the site; and
- (2) that authority be granted to the Executive Director (Housing and Technical Resources), to authorise transactions and instruct Legal Services to conclude transactions in the appropriate manner and on terms which were in the best interests of the Council.

[Reference: Minutes of the special meeting of the Planning Committee of 28 March 2017 (Paragraph 2)]

11 Disposal of 1 Langlands Gate, East Kilbride

A report dated 3 May 2019 by the Executive Director (Housing and Technical Resources) was submitted on the disposal of the site at 1 Langlands Gate, Langlands Business Park, East Kilbride to Pheonix Utilities Limited, or assignees or nominees.

1 Langlands Gate, East Kilbride was a Class 4, 2 storey office pavilion located within Langlands Business Park. The property had been constructed in 1999 and extended to 929 square metres internally, divided into 3 office suites. The building and car parking sat on a site extending to 2,080 square metres or thereby.

The property was part of the Council's non-operational lease portfolio and had been consistently marketed. Interest in leasing the property had been minimal and the property had been vacant since 2013. The lack of demand from tenants, combined with the revenue costs associated with retaining a vacant property, which in 2018/2019 had been £77,760, had an adverse impact on the non-operational lease portfolio performance. The property had, therefore, been advertised for sale.

The property had been marketed in March and April 2019 on the Council's website and on the Co-star commercial property database. Site marketing boards had also been erected around the property. At the closing date of 26 April 2019, 1 offer had been received and assessed. The offer, for the sum of £340,000, was received from Pheonix Utilities Limited, a multi utility contractor who had been operating for 13 years and employed 44 FTE workers. Pheonix Utilities Limited would utilise the facility for the relocation and expansion of their existing established business.

The principal terms and conditions of the disposal were detailed in the report.

The Committee decided:

- (1) that the office pavilion at 1 Langlands Gate, Langlands Business Park, East Kilbride, located on a site extending to 2,080 square metres or thereby, be disposed of to Phoenix Utilities Limited, or assignees or nominees for the sum of £340,000, exclusive of VAT, and in terms of the principal conditions contained in Section 5 of the report; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all other matters in respect of the disposal and enter into the necessary legal agreements on terms which were in the best interests of the Council.

12 Brandon Gate, Hamilton – Renegotiation of Lease

A report dated 15 May 2019 by the Executive Director (Housing and Technical Resources) was submitted on the lease agreements for Brandon Gate, Buildings A and B, Hamilton.

The performance of the Council's office portfolio was reviewed regularly and opportunities assessed to further improve its efficiency. An opportunity had arisen in terms of the accommodation at Brandon Gate, Hamilton.

The property was owned by Sparrowhawk Properties 605 Limited and the lease to the Council had 6 years remaining, with a current rental of £780,000 per annum. The owners of the property had approached the Council to discuss a renegotiation of terms.

Brandon Gate was considered to be a core corporate accommodation asset. It was centrally located, with good transport links and access to public car parking, which made it easily accessible by both employees and service users.

Based on current projections for service demand, there was a long-term requirement for office accommodation at this location.

Following those negotiations, it was proposed that the terms of the existing lease be replaced with updated principal terms and conditions for a 20 year lease, as detailed in Section 4 of the report.

The proposed terms and conditions represented market value and offered a rental reduction of £199,068 per annum on the current terms for the Council.

The Committee decided:

- (1) that the revised terms and conditions for the lease of Brandon Gate, Hamilton, as detailed in Section 4 of the report, be approved; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all matters in respect of the grant of lease and to enter into the necessary legal agreements on terms which were in the best interests of the Council.

13 Council House Open Market Purchase to Support Regeneration Activity in East Whitlawburn

A report dated 15 May 2019 by the Executive Director (Housing and Technical Resources) was submitted advising on action taken, in terms of Standing Order No 36(c), in view of the timescales involved, by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, to approve the purchase of a property on the open market exceeding the authorised £100,000 limit, to support the implementation of the Master Plan proposals for East Whitlawburn.

In September 2018, due to the shortage of available Council housing stock within the Cambuslang and Rutherglen area, the Estates Service had been asked to identify suitable properties on the open market to facilitate decants and/or permanent transfers for residents affected by the East Whitlawburn Regeneration Master Plan. A potentially suitable property had been identified, however, the value of the property exceeded the maximum financial limit of £100,000, as set out in the current delegated authority for acquisition of land and property.

The property was a 3 bedroom upper floor cottage flat in the Eastfield area of Cambuslang. The property purchased would be added to the Council's operational housing stock.

The Committee decided:

- (1) that the action taken, in terms of Standing Order No 36(c), by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, to progress the purchase of the property on the open market with a value in excess of the authorised £100,000 limit, to meet the urgent housing needs of applicants who required to be rehoused due to regeneration activity within East Whitlawburn, be noted; and
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all matters relating to the purchase of the property and to enter into the necessary legal agreements on terms which were in the best interests of the Council.

[Reference: Minutes of 1 July 2015 (Paragraph 9) and Minutes of the Executive Committee of 26 August 2015 (Paragraph 12)]

14 Delegated Authority Report - Update

A report dated 3 April 2019 by the Executive Director (Housing and Technical Resources) was submitted on the level of transactions processed by Property Services during the period 1 January to 31 March 2019, together with a year end summary.

The Executive Director (Housing and Technical Resources), under delegated powers, had authority to deal with various transactions including:-

- ◆ leases up to the value of £50,000 per annum and a maximum period of 20 years
- ◆ rent reviews up to an increase of £20,000 per annum
- ◆ disposals up to a value of £200,000
- ◆ acquisitions up to a value of £100,000

Details of the transactions undertaken during quarter 4, 1 January to 31 March 2019, were as follows:-

Number of transactions	70
Total value of lease transactions	£87,974 per annum
Total value of capital transactions	£1,968,033

Details of the annual summary of all transactions progressed under delegated authority during the financial year 2018/2019 were as follows:-

Number of transactions	246
Total value of lease transactions	£751,958 per annum
Total value of capital transactions	£5,531,407

The Committee decided: that the transactions processed by delegated authority during the period 1 January to 31 March 2019, together with the year end summary, be noted.

[Reference: Minutes of 20 March 2019 (Paragraph 15)]

15 Urgent Business

There were no items of urgent business.