

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	7 February 2024
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Acquisition of Houses at Jacktonhall, Jackton (Section 75 Planning Reference EK/09/0218) and Brackenhill Farm, Hamilton (Section 75 Planning Reference HM/10/0052)
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval from Housing and Technical Resources Committee to acquire 89 homes across 2 developments, at Jacktonhall, Jackton and Brackenhill Farm, Hamilton from Barratt Homes, for inclusion in the Council's housing stock in fulfilment of the Planning obligations associated with the development of the residential sites

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the acquisition of 89 completed affordable homes from Barratt Homes for a total price, of £17.8m (which includes the cost of land and includes circa £500k in recoverable VAT payments), to fulfil the Planning obligations associated with the residential development of the sites, be approved; and
- (2) that the Executive Director (Housing and Technical Resources) be given Delegated Authority to authorise the transactions and instruct Legal Services to conclude transactions, in the appropriate manner and in the best interests of the Council, with each individual transaction being in excess of the current £100k acquisition limit under the existing delegated powers arrangements.

3. Background

3.1. The Local Housing Strategy 2022 to 2027 was approved at Executive Committee on 30 November 2022 and highlights a commitment by the Council and its partners to actively seek opportunities to develop housing across South Lanarkshire to both meet housing need and support social and economic regeneration.

3.2. Also on 30 November 2022, Executive Committee approved a new affordable housing supply target for the Council, aiming to deliver an additional 1,300 homes by 31 March 2027. This will be delivered through a combination of new council homes and the acquisition of existing homes from the market, with the new sites set out within the Strategic Housing Investment Plan which is updated on an annual basis.

- 3.3. On 8 November 2023, the Strategic Housing Investment Programme 2024 to 2029 was approved by Housing and Technical Resources Committee. This includes projects with a total potential capacity for delivering up to 2,442 affordable homes in South Lanarkshire over the 5-year period to March 2029 and included both Jacktonhall, Jackton (40 units) and Brackenhill Farm, Hamilton (49 units).

4. Proposal

- 4.1. In November 2023, the Council entered into discussions with Barratt Homes to fulfil their planning obligation for new affordable homes through a turnkey arrangement with the Council paying staged payments for each key stage completed for each house. The mix of houses across the sites consists of 2, 3 and 4-bedroom homes including cottage flats, terraced, semi-detached and detached houses. It is anticipated that these houses will be complete in 2026.
- 4.2. The proposal provided by Barratt Homes has been assessed by the Council's relevant technical and commercial services as presenting value for money for the Council.
- 4.3. Therefore, it is proposed to acquire 89 completed houses from Barratt Homes, subject to the following principal conditions:-
- ◆ the Council will pay a land payment (20% of unit value)
 - ◆ the balance for each unit will then be paid in the following stages – Floor Slab (25%), Wind and Watertight (35%) and Completion (20%)
 - ◆ the Council will obtain a standard security over the site until such times as all houses have been completed
 - ◆ the Council will receive a third party warranty covering defects and structure for a period of no less than 10 years.
 - ◆ each party will be responsible for their own legal fees

5. Employee Implications

- 5.1. There are no employee implications.

6. Financial Implications

- 6.1. Acquisition of the properties will be funded from the Housing Revenue Account, Capital Programme and will be eligible for Scottish Government Affordable Housing grant funding which will reduce the overall cost to the Council.
- 6.2. The proposed purchase price for each unit type compares favourably with the asking prices of the same house types within the development and prices of similar new properties on the open market.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained within the report. All homes will be built to Housing for Varying Needs standards and Silver aspect 2 level for energy standards.

8. Other Implications

- 8.1. Should the acquisition of the 89 homes from Barratt Homes not progress, there may be implications to the Council's ability to meet increasing housing need in Hamilton and East Kilbride areas, along with its ability to achieve the 1,300 additional council home target set by Executive Committee on 30 November 2022.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. All necessary consultations with Housing, Planning, Roads and Legal Services have taken place and they are supportive of the proposal.
- 9.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no impact assessment is required.

Stephen Gibson

Executive Director (Housing and Technical Resources)

14 December 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent
- ◆ Good quality, suitable and sustainable places to live

Previous References

- ◆ None

List of Background Papers

- ◆ Local Housing Strategy 2022 to 2027 – Executive Committee, 30 November 2022
- ◆ Housing Supply Target – Executive Committee, 30 November 2022
- ◆ Strategic Housing Investment Programme 2024 to 2029 – Housing and Technical Resources Committee, 8 November 2023

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Derek Craig, Property Manager (Consultancy Services)

Ext: 3517 (Tel: 01698 453517)

E-mail: Derek.Craig@southlanarkshire.gov.uk