

Report

Report to:	Housing and Technical Resources Committee
Date of Report:	31 May 2023
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Revision of Costs Associated with the Acquisition of Houses at Brackenhill Farm, Hamilton - Section 75 Planning Reference PL/21/2093
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise on action taken, in terms of Standing Order No 37(c) because of the timescales involved, by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, to conclude the contract with Taylor Wimpey

2. Recommendation(s)

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

- (1) that the following action taken, in terms of Standing Order No 37(c), by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, be noted; and
- (2) that the authority granted to the Executive Director (Housing and Technical Resources), in conjunction with the Head of Administration and Legal Services, to conclude matters and to enter into the necessary legal agreements on terms which are in the best interests of the Council, be noted.

3. Background

- 3.1. The site at Brackenhill Farm in Hamilton is identified within the Council's Strategic Housing Investment Plan as a priority site in delivering the Council's target of 1,300 additional homes by 2027. This site forms 1 part of the Hamilton Community Growth Area (CGA), which is located on the southwest edge of Hamilton and is designated for residential development to meet Glasgow and Clyde Valley Structure Plan requirements for the release of 2,000 houses.
- 3.2. The application for the development at Brackenhill Farm, Hamilton was approved by the Planning Committee on 11 October 2022. The approval was granted for the erection of 53 dwellings to Taylor Wimpey, this has now been consented and includes an obligation for an on-site provision of up to 50 affordable homes.
- 3.3. The Council entered into discussions with Taylor Wimpey 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 property. The proposal provided by Taylor Wimpey has been assessed by the Council's Technical and Commercial Team as representing value for money.

4. Proposal

- 4.1. In the report approved at Housing and Technical Resources Committee on 14 December 2022 (agenda item 9), the Executive Director (Housing and Technical Resources) was authorised to acquire 50 completed affordable homes from Taylor Wimpey for a total price not in excess of £8.545 million (which includes the cost of land), to fulfil the planning obligations associated with the residential development of the site.
- 4.2. Following approval at Committee on 14 December 2022, Taylor Wimpey advised the Council that it had not included costs for full Electrical Vehicle Charging Points (EVCPs) to be installed for each dwelling being purchased by the Council on the site, instead opting to provide costs relating only to the ducting and infrastructure, allowing the EVCPs to be installed at a later date. Installation of full EVCPs for each unit on the site is, however, required, as set through Supplementary Planning Guidance to the South Lanarkshire Local Development Plan 2.
- 4.3. As such, an additional £166,000 will now be required to complete the transaction and authority is requested by the Executive Director (Housing and Technical Resources) to acquire 50 completed affordable homes at the revised cost of £8,711,000.

5. Employee Implications

- 5.1. There are no employee implications associated with this report.

6. Financial Implications

- 6.1. In line with the Home+ Programme, including the new target established at Executive Committee on 30 November 2022, acquisition of the plots will be funded through a combination of Scottish Government grant funding, Housing Revenue Account capital investment and Council borrowing.
- 6.2. Should expected levels of Scottish Government grant be received and average costs for borrowing and capital contributions continue, it is expected the new build aspect of the Home+ programme and in particular the acquisitions of these plots, would have a neutral impact to the Housing Revenue Account Business Plan over a 40-year period. This means that over the 40-year period, the net cost of the additional borrowing and all other costs can be met from the additional rental income received.
- 6.3. Whilst there is a neutral impact on the Housing Revenue Account Business Plan over a 40-year period, there are initial construction and purchase costs at the start of the programme which impact on the cashflow in the early years of the programme. The estimated costs have been included in the Business Plan in respect of the rent uplift projections for 2023/2024.
- 6.4. Despite the increase in costs detailed at 4.3, as a result of the requirements of installing full EVCPs, there will be no further financial implications associated with the acquisition. The revised costs remain within the financial assumptions made and as such will continue have a neutral impact on the Housing Revenue Account Business Plan.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no climate change, sustainability or environmental implications arising from this proposal.

8. Other Implications

- 8.1. There are no other implications associated with this report.

- 8.2. There are no significant risks or sustainability issues associated with this report.
- 8.3. Normal Council protocols to ensure that there are no conflicts of interest apply to this scheme.
- 9. Equality Impact Assessment and Consultation Arrangements**
- 9.1. This report does not introduce a new policy, function or strategy and therefore, no separate impact assessment is required.
- 9.2. No formal consultation process was required in terms of the recommendation contained in this report.

Stephen Gibson
Executive Director (Housing and Technical Resources)

21 April 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Good quality, suitable and sustainable places to live
- ◆ Caring, connected, sustainable communities
- ◆ Focused on people and their needs

Previous References

- ◆ Housing and Technical Resources Committee, 14 December 2022

List of Background Papers

None

Contact for Further Information

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

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