

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	17 February 2021
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Acquisition of Houses at Jackton, East Kilbride – Section 75 Planning Reference EK/09/0218
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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 36(c), because of the timescales involved, to acquire 24 affordable homes at Jackton, East Kilbride, from Cala Homes, for inclusion in the Council's housing stock in fulfilment of the Planning obligations associated with the residential development of the site

2. Recommendation(s)

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

- (1) the action taken, in terms of Standing Order 36(c), by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex-officio member, in relation to the acquisition of 24 affordable homes to be acquired from Cala Homes (West) Limited for a total price of £3.564m (which includes the cost of land), to fulfil the Planning obligations associated with the residential development of the site, be noted.

3. Background

- 3.1. The site at Jackton in East Kilbride is identified within the Council's Strategic Housing Investment Plan as a priority site in delivering the Council's target of 1,000 additional homes. It is located within East Kilbride Community Growth Area. A Planning Obligation for the whole East Kilbride Community Growth Area obliges the developers to provide sites for affordable housing (or pay a commuted sum in lieu of such provision). This site is within one of the areas identified for affordable housing areas within East Kilbride Community Growth Area.
- 3.2. Cala Homes (West) Limited received planning consent for the 24 affordable amenity standard homes on 25 September 2020.
- 3.3. The Council entered into discussions with Cala Homes (West) Limited to provide 24 units at this site pursuant to their planning obligation for new affordable homes via a turnkey arrangement with the Council. The proposal provided by Cala Homes (West) Limited has been assessed by the Council's technical and commercial team as presenting value for money.

4. Proposal

- 4.1. It is, therefore, proposed to acquire 24 completed homes subject to the following principal conditions:-

- ◆ the Council will pay a deposit of £15,500 per unit
- ◆ an additional payment of £20,500 per unit will be paid when foundations and floor slabs are complete, to be valued on a quarterly basis
- ◆ an additional payment of £38,000 per unit will be made when a wind and watertight position is established, to be valued on a quarterly basis
- ◆ the balance of the price for the units of £74,500 (making a total price per unit of £148,500) will be paid upon completion and transfer of title
- ◆ ownership of the land will be transferred to the Council on payment of the deposit
- ◆ if the developer fails to complete the units, the contract sets out certain remedies for the Council, including the right to complete the units and to recover any extra costs from the developer
- ◆ the Council will receive a third party warranty covering defects and structure
- ◆ 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 plots will be funded from the Housing Revenue Account, Capital Programme.
- 6.2. Grant subsidy towards the purchase of each of the units will be provided by the Scottish Government through the Affordable Housing Supply Funding Grant.

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. If the proposal did not proceed there would be implications on the supply of social housing units within the Council's New Build Programme.
- 8.2. There are no implications for sustainability in terms of the information contained within the report.

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.

Daniel Lowe

Executive Director (Housing and Technical Resources)

14 December 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Improve the availability, quality and access of housing
- ◆ Accountable, effective, efficient and transparent
- ◆ Achieve results through leadership, good governance and organisational awareness

Previous References

- ◆ None

List of Background Papers

- ◆ None

Contact for Further Information

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

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