

Finance and Resources Committee

10.00am, Thursday, 21 November 2023

Hawthorn Gardens, South Queensferry – Proposed Acquisition of Completed Homes (Second Phase)

Executive/routine
Wards

Routine
1 – Almond

1. Recommendations

- 1.1 That Finance and Resources Committee:
 - 1.1.1 Approve the purchase of 24 new build flatted homes within the Hawthorn Gardens development in South Queensferry, from Taylor Wimpey, subject to completing due diligence and on the terms and conditions outlined in this report; and
 - 1.1.2 Notes that the purchase will take place subject to availability of Scottish Government funding for Ukrainian Displaced Persons (UDP).

Paul Lawrence

Executive Director of Place

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2. Executive Summary

- 2.1 An opportunity has arisen to acquire 24 new build flatted homes within the Taylor Wimpey Development at Hawthorn Gardens, South Queensferry. This report seeks approval to acquire the 24 flats on the terms and conditions outlined in the report.
- 2.2 It is proposed that the purchase of the new homes will make use of the Scottish Government fund to house Ukrainian Displaced Persons providing family accommodation with additional funding from Commuted Sums collected from private housing developers within the same or adjacent Ward as part of the Affordable Housing Policy (AHP) and through Council borrowing.

3. Background

- 3.1 On [1 December 2022](#), Housing, Homelessness and Fair Work Committee approved the Housing Land Strategy Report. This set out a revised approach to securing land whereby, for suitable opportunities, the Council would offer to either buy land, completed homes, or work in partnership with the landowners and RSL partners to develop sites for additional affordable housing.
- 3.2 On [21 September 2023](#), Finance and Resources Committee approved the purchase of 20 semi-detached and terraced homes within the Hawthorn Gardens, South Queensferry, due for completion by late 2023/early 2024.
- 3.3 A further opportunity has arisen to acquire 24 flats within the same development, which are to be developed in two blocks and due for completion in mid-2024.
- 3.4 Hawthorn Gardens is a development of 341 homes and is located on the southern edge of South Queensferry, close to the M90 motorway. The development will provide footpath and cycle connections to the town centre. The location is shown on the plan at Appendix 1.

4. Main report

- 4.1 The proposal represents an opportunity to acquire 24 flats, within a new residential development on the edge of an existing settlement. The acquisition will provide additional affordable homes within the Almond ward, supplementing the Council's own housebuilding programme in an area of the city where the Council's landholdings, suitable for direct delivery, are limited.
- 4.2 The flats will be developed in two, four storey blocks with each providing two bedrooms and extending to approximately 66.24 sq m (713 sq ft).
- 4.3 Taylor Wimpey has provided a full specification of the homes. A 10-year National House Building Council (NHBC) warranty will be provided for each home on completion.
- 4.4 The net purchase price of the homes is £5.173m (including Land and Buildings Transaction Tax (LBTT) which will be payable on completion, as set out in the financial impact section below.
- 4.5 The combined purchase price of each home reflects an average bulk purchase discount of 9.3%. The Council instructed framework property consultants, Avison Young, to review the proposal in the context of the original asking price for the flats and the available discount. The conclusion is that the advertised selling prices for the subject units at Hawthorn Gardens are appropriate and in line with competing schemes. Furthermore, Avison Young consider the proposed discount level of 9.3%, for units which will not be completed until mid-2024, in blocks which would be easily managed by the purchaser, to represent an attractive incentive to acquire, in a single transaction.
- 4.6 To ensure that the homes are completed to the agreed specification, a building surveyor will inspect each unit prior to Practical Completion. The surveyor will be permitted to inspect the properties along with the person who is certifying Practical Completion. There will be an opportunity to refer the matter to a third-party determination if the Council do not agree that Practical Completion has been reached. Homes will not be purchased without provision of a Completion Certificate provided by the Council's Building Standards Service.
- 4.7 A defects rectification period of one year from the purchase date will be put in place to allow the Council to report defects and to provide Taylor Wimpey the opportunity to return to attend to repairs.
- 4.8 The homes will initially be let through the Ukraine Support team, with management and maintenance of the homes provided by the Council's Housing team. Homes will then be let through Edinburgh's choice-based lettings system to households in need of a socially rented home.

5. Next Steps

- 5.1 Following approval of the terms by Committee, Legal Services will be instructed to progress with the contract to purchase of the properties on completion.
- 5.2 Completion of the contract will be subject to legal due diligence and inspection of the homes prior to completion.

6. Financial impact

- 6.1 The cost of the purchase will be £5.173m, including tax (plus fees). The purchase will be funded through a combination of the Scottish Government funding available to support Ukrainian Displaced Persons (UDP) (£2.9m), Housing Revenue Account (HRA) borrowing (to be repaid through the collection of rent (£2.006m)), and available Commuted Sums within the same or adjacent Ward (£0.267m).
- 6.2 The use of UDP funding and the availability of Commuted Sums reduces the financial impact on the delivery of the Council's own housebuilding programme and does not affect resource planning assumptions in relation to this years' Affordable Housing Supply Programme.

7. Equality and Poverty Impact

- 7.1 The purchase of homes in South Queensferry will have a positive impact on equality and poverty through the provision of good quality, energy efficient affordable housing.
- 7.2 There will be a positive impact on displaced households which have been impacted through the Russian invasion of Ukraine, supporting their human rights. Once the requirement for displaced households diminishes, the properties will return to the social housing estate and be used to help address the general provision requirement.
- 7.3 It is considered that this decision does not meet the requirements to undertake a full Integrated Impact Assessment.

8. Climate and Nature Emergency Implications

- 8.1 The impacts of this report have been considered in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties and the outcomes are summarised below.
- 8.2 The new homes have been constructed to include aspects of Silver level under the Statement of Sustainability within the Building Standards. EV chargers will be installed nearby. Homes will also achieve EPC A and B levels. Modern Building Standards will result in less energy demand for heating.

- 8.3 The location of the homes is close to sustainable mass transport links at Dalmeny Station, and major bus routes to the city centre. The site is also located within walking distance to a major supermarket and the high street in South Queensferry.
- 8.4 The location of the homes is also within a short walk or cycle to the wider cycle network, providing off road routes to the city centre and major employment hubs.
- 8.5 Homes will not achieve net zero carbon at the time of purchase as homes are heated using gas boilers. Homes will need to be improved along with existing stock at the appropriate time. Given the current levels of sustainability specification this will require limited intervention in comparison to older stock.

9. Risk, policy, compliance, governance and community impact

- 9.1 Ward members have been made aware of the recommendations of this report.
- 9.2 The strategy to deliver homes through this route was agreed by the Housing, Homelessness and Fair Work Committee in December 2022.
- 9.3 Public consultation on the development of the homes took place as part of the planning process, including local exhibitions. Feedback was considered as part of the planning approval.
- 9.4 A planning consent for 341 homes was approved in 2016, with 85 affordable homes or 25% of homes being affordable. The homes being delivered through the purchase will be in addition to the overall affordable housing numbers on the site.

10. Background reading/external references

- 10.1 None.

11. Appendices

Appendix 1 – location plan.

Appendix 2 – list of homes to be purchased.



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SUSTAINABLE DEVELOPMENT
PLACE DIRECTORATE

FLATS AT
166 -177 AND 199-210
HAWTHORN GARDENS
SOUTH QUEENSFERRY

DATE	25/10/23
SURVEYED BY	Third Party
DRAWN BY	Mark Ballantyne
SCALE	NOT TO SCALE
NEG. NO.	A3/2618

SITE PLAN

SCALE 1:1250

Site	Floor	House Type	Square Footage	Plot
Hawthorn Gardens, South Queensferry	Ground	Ness	712	199
Hawthorn Gardens, South Queensferry	Ground	Nicol	713	200
Hawthorn Gardens, South Queensferry	Ground	Nevis	714	201
Hawthorn Gardens, South Queensferry	1st	Ness	712	202
Hawthorn Gardens, South Queensferry	1st	Nicol	713	203
Hawthorn Gardens, South Queensferry	1st	Nevis	714	204
Hawthorn Gardens, South Queensferry	2nd	Ness	712	205
Hawthorn Gardens, South Queensferry	2nd	Nicol	713	206
Hawthorn Gardens, South Queensferry	2nd	Nevis	714	207
Hawthorn Gardens, South Queensferry	3rd	Ness	712	208
Hawthorn Gardens, South Queensferry	3rd	Nicol	713	209
Hawthorn Gardens, South Queensferry	3rd	Nevis	714	210
Hawthorn Gardens, South Queensferry	Ground	Nevis	714	166
Hawthorn Gardens, South Queensferry	Ground	Nicol	713	167
Hawthorn Gardens, South Queensferry	Ground	Ness	712	168
Hawthorn Gardens, South Queensferry	1st	Nevis	714	169
Hawthorn Gardens, South Queensferry	1st	Nicol	713	170
Hawthorn Gardens, South Queensferry	1st	Ness	712	171
Hawthorn Gardens, South Queensferry	2nd	Nevis	714	172
Hawthorn Gardens, South Queensferry	2nd	Nicol	713	173
Hawthorn Gardens, South Queensferry	2nd	Ness	712	174
Hawthorn Gardens, South Queensferry	3rd	Nevis	714	175
Hawthorn Gardens, South Queensferry	3rd	Nicol	713	176
Hawthorn Gardens, South Queensferry	3rd	Ness	712	177
		24		