

# Development Sub Committee

Wednesday, 13th March 2024 9:30 am

Russell Square – Development Sub Committee

## Attendees

#### Attended – Board Members

#### Sheena Welsh (SW) - Chair, Stuart Storrie (SS), Hazel Farquhar (HF), Ian McDonald (IMcD), Jimmy Black (JB).

#### Attended – Staff members

Kevin Lynch (KL) Director of Asset Management, Chris King (CK) Capital Works Manager, Lauren Thomson (LT) Customer Services Advisor.

#### Did Not Attend - Apologies

#### Gail Robertson (GR), Arlene Grant (AG)

## 1.0 Apologies, Conflict of Interests & Notifiable Events

Purpose – For Noting

#### Minute by Lauren Thomson

The meeting started at 9:30am and came to a close at 10:20am.

Apologies were received as above with no conflicts or notifiable events noted.

## 2.0 Minutes of the Service Delivery Sub Committee Meeting held on 10/05/2023

Purpose – For Approval

#### Minute by Lauren Thomson

## The minutes were noted by Committee as they were approved at a previous Board meeting.

## 3.0 Development Update

Purpose - For Information

#### Minute by Lauren Thomson

This reports was approved by Committee.

KL updated committee on the following sites:

George Martin Builders are currently on site for Whitfield Drive development for 18 units. Legal work has concluded and site clearance is taking place due to nesting season and greenery is being taken away in preparation. CK informed Committee there is also a bat box in one of the trees which is being dealt with through the correct processes.

KL noted that there has been increased HAG funding of 61% due to the rising costs with each unit on average costing £200,000. SS queried if this will be the standard average cost for each development. CK confirmed that the cost for Dundee properties may increase, however, this is the correct current cost for Angus. KL also mentioned that Angus Housing Association are working on average cost per unit for budgeting purposes and the average is dependent upon the HAG funding and site acquisition costs. For example, KL confirmed that Whitfield Drive Phase 2 development, the potential cost of the land acquisition in comparison to Phase 1, has doubled.

KL confirmed the average cost per unit for St Vincents development is much higher at £230,000 in comparison to Whitfield Drive. The was additional funding of around £900,000 awarded to this development. IMcD noted the number of benefits for housing grants however, concerns were raised regarding the two phases at Whitfield Drive one of which is firm and the other is currently at the planning stage and the costings allowed for the planning stage development is lower than the existing development. CK confirmed that there are varying factors which attribute towards the set costs for the developments.

A public consultation was held for the Gowriehill development on 28 February 2024, which was part of the planning conditions from the Local Authority. The consultation was held in the Community Centre in Menzieshill, CK and LC attended along with the architects. It was well attended by the public and community groups. CK confirmed the whole site of 36 properties are social housing. There is a further consultation planned for April 2024.

Angus Housing Association are still awaiting the site acquisition and the Council will hold the costs that were in place before the budgets cuts. There is an expected site date of February 2025.

[REDACTED – CONFIDENTIAL INFORMATION]

KL confirmed George Martin approached the Association in regards to Whitfield Drive Phase 2 for this site. The Association, however, are still awaiting costs in order to carry out a full scheme appraisal and apply for funding.

All costs have been agreed for Durie Place with Guild Homes and contract has been signed. The Association expect to be on site in the coming days. This site will include 10 units with 4 shared equity properties also. HF queried if this is the Associations first properties in Edzell which CK confirmed that this was correct. KL confirmed that this development qualifies for extra HAG funding due to being a rural development.

KL confirmed that funding for Crudie Farm has been approved and contractors are currently on site. KL confirmed when the Association were carrying out the fair works statement from the Government, Scotia Homes continued on site at their own risk. KL confirmed there are 36 units with 7 of these being shared equity.

[REDACTED – CONFIDENTIAL INFORMATION]

CK discussed the circumstances around the development regarding the contractor having a requirement for social housing in the area. CK confirmed there has been no further discussion held regarding this development as of yet.

KL confirmed there are 11 shared equity properties, 7 at Crudie Farm and 4 at Durie Place. There are no scheme appraisals for these properties due to the Association breaking even. KL confirmed the only cost the Association will incur for the shared equity properties is the Development Teams time.

IMcD queried if shared equity properties are counted as part of the Associations housing stock. KL confirmed that this was not the case.

IMcD also queried that as the programme has a plan of works until 2025/26, if it could be split in years due to the costs borrowed. KL confirmed that there is an intention to update the Board or Finance Audit and Risk Committee, however, GR is currently discussing this with the Finance team.

KL stated that the Association have been approached by multiple contractors regarding securing future developments. [REDACTED – CONFIDENTIAL INFORMATION] The Association has 8 wheelchair adapted properties on this site and the quality is really good. CK also noted that Caledonia Housing Association has approached Scotia Homes and has secured properties on the site also.

[REDACTED – CONFIDENTIAL INFORMATION]

KL confirmed that any development on the programme which is amber will not become green for at least two years or longer.

JB queried if the budget cuts will have an effect on future developments. It was confirmed by KL that it will have an impact on the Association, however, there has been no formal communication or guidance confirming this or the level of funding available. All works in the programme is based on 30 year scheme appraisal and extra funding has been awarded, however, once the budget cuts have been clarified these works may need to be extended to 35-40 years.

CK noted that no local authority has been provided with any guidance on the budget cuts. Dundee City Council are currently not looking at any budget cuts while Angus Council are currently considering a 26% cut in funding.

KL noted that many RSL's have stopped developing and therefore the demand on funding may be lower. SS queried as to why they have stopped developing and KL confirmed that this is partially due to the private finance element.

KL noted the Association has responded the Scottish Government consultation stating any net zero works should be carried out in line with the lifecycle of components. Ck noted the risk to development is due to the cuts in funding not due to the access to product finance that needs to be used for Capital Works.

Further to IMcD's query regarding the risks of £16 million, CK noted that there should be no risk associated with this for the current developments.

It was noted that the potential developments will not be put into the programme of works as amber until business cases have been carried out and approved.

## 4.0 AOCB

Purpose - For Noting

#### Minute by Lauren Thomson

The Gowriehill and St Vincents public consultations were covered as above under Item 3.

SS queried if the Association will be carrying out any stock surveys in the future. KL confirmed this is a large piece of work and is on the Asset Management Workplan and will carry over into the next year. KL and CK are working on a programme to gather information to carry out this project in the meantime. Following SS query, KL confirmed that this project will provide the Association with an indication on how to build properties in the future.

It was discussed and proposed by Committee that this report should be submitted to the Board quarterly and rebranded as Customer Services Report.

## 5.0 Date of Next Meeting

Purpose - For Information

#### Minute by Lauren Thomson

The date of the next meeting is 11th September May 2024 at 9:30am