
HIGH STREET / MARKET PLACE, JEDBURGH

Report by Director – Infrastructure & Environment

EXECUTIVE COMMITTEE

13 September 2022

1 PURPOSE AND SUMMARY

1.1 This report is to provide an update on the demolition of the dangerous building at High Street / Market Place, Jedburgh. The report also identifies how the Council will deliver a replacement building on the site in conjunction with Eildon Housing Association and seeks approval to use £2.2m from the second homes council tax affordable housing investment budget.

2 RECOMMENDATIONS

2.1 I recommend that the Executive Committee:-

- (a) Note the progress made in relation to demolition on the site and future development proposals; and**
- (b) Approve the use of £2.2m from the second homes council tax affordable housing investment budget to fund abnormal costs in relation to demolition and the replacement building. This includes the £0.1M additional cost associated with the dismantling of the dangerous building and £2.1M costs in relation to the replacement building.**

3 BACKGROUND

- 3.1 Until 2021, the High Street / Market Place building in Jedburgh was in private ownership and extended over 4 floors containing a variety of residential flats.
- 3.2 For several years, Officers have been aware of a deterioration of the building as a result of poor and inadequate maintenance by the multiple owners. Attempts to request that the private owners work together to bring the building in to proper condition were not effective.
- 3.3 During June 2015, the Council served two Dangerous Buildings Notices under 29 and 30 of the Building (Scotland) Act 2003 and took action to safeguard the public from the building in the interest of public safety. A temporary works scaffolding was erected to encapsulate the High Street and Exchange Street faces of the building while Officers endeavoured to make safe the building.
- 3.4 As a direct result of the challenges faced in seeking to make the building safe various options were developed by Officers along with indicative costings. It was concluded that the cost to repair the building outweighed the repaired value of the property. Scottish Borders Council took the decision to acquire the property either by a negotiation or through a compulsory purchase order and to demolish the current building and provide a replacement building on the site.
- 3.5 Council Officers engaged with the various owners over the period from October 2018 to April 2019, having had some success in securing agreement from some but not all of the owners. Although negotiations were continuing it was considered prudent that the necessary steps be taken to commence with a compulsory purchase order in tandem with the negotiations. To this end the Council resolved to make a Compulsory Purchase Order to acquire the building on 16 May 2019. The compulsory purchase order was opposed by one of the residents and a Public Local Inquiry was held in May 2021.
- 3.6 In August 2021, the Scottish Government confirmed the Compulsory Purchase Order for the acquisition of the building and the Council took title to the building on 24 November 2021.

4 DEMOLITION WORKS

- 4.1 In preparation for the Council taking ownership of the building in 2021, a procurement exercise was undertaken to obtain tenders to allow for the building to be dismantled under controlled conditions.
- 4.2 On 27 October 2021, a contract was awarded to John Laidlaw & Sons and works commenced on 1 December 2021. The controlled dismantling works have progressed since then under difficult conditions given the condition of the building.
- 4.3 Budget for the dismantling and rebuild was identified within the Capital Investment Plan as early as 2019/20 and timing movements were made to

allow for the extended duration while the Council tried to acquire the building, firstly by voluntary means and then by Compulsory Purchase Order.

- 4.4 Within the 2022/23 Capital Investment Plan, the overall budget was reduced on technical advice at the time to allow for the dismantling costs only. The approved budget for the dismantling costs is £512k, with £188k of this spent in 2021/22 and the remaining £324k budgeted in 2022/23. Works on site have been progressing during 2022/23, however, during the dismantling the works have had to react in several instances to conditions that were not envisaged at the time of going to tender. This is largely attributable to the inability to get access to areas of the cellar and of the mutual gables with High Street and Exchange Street.
- 4.5 As a result of conditions encountered, and changes that have had to be made to the sequence of the dismantling, the works are now forecast to conclude by February 2023 and at a total cost of £612k. This is £100k above the approved budget. It is proposed to fund this additional £100k from the second homes council tax affordable housing investment budget. .

5 REPLACEMENT BUILDING

- 5.1 Following a design competition in 2019, Edinburgh based architects Gray Macpherson were appointed to design the replacement building. The brief for the replacement building was prepared by Officers in conjunction with Eildon Housing Association. The intention is that the new building will comprise a mixture of either three or four 1 and 2 bedroom flats which will be allocated as affordable housing. Management of the flats after completion will be undertaken by Eildon Housing Association. Discussions on allocation of the ground floor space and future management are ongoing. Final design proposals will be outlined in the application for planning permission, which will be submitted in due course.
- 5.2 At the time of writing, Officers have developed proposals which are intended to be submitted for planning consent shortly after the anticipated approval of this report. After a further design development period in collaboration with Eildon Housing Association, procurement and construction of the building would then follow. An allocation for affordable housing on this site was identified and included within the [Strategic Housing Investment Plan \(SHIP\) 2022-27](#). The SHIP programme identifies that completion of this development would be expected to be achieved in 2024/25, including subsequent handover of the affordable housing units to Eildon Housing Association.
- 5.3 It is noted that this will mean that there is a period of time after the completion of the dismantling works before the new replacement building commences. Officers will endeavour to minimise this period in the interests of the visual appearance of the town centre.
- 5.4 The forecast costs of the new replacement building are at £2.1M, based on the most recent cost plan and delivery programme. It is proposed within this report that this cost will be met from the second homes council tax affordable housing investment budget. The cost will be incurred as shown in the table below. The allowance of £2.2M shown below also includes the

£0.1M additional cost associated with the dismantling of the dangerous building.

2022/23	2023/24	2024/25	Total
£0.2M	£1.0M	£1.0M	£2.2M

- 5.5 It is anticipated that Eildon Housing Association will be supported by Housing Association Grant Funding available through the Scottish Government funded affordable housing supply programme to purchase the affordable housing units in 2024/25. The capital receipt for the purchases would then be receipted to the second homes council tax affordable housing investment budget to support future affordable housing activity.
- 5.6 It is proposed that the delivery of the replacement building will be managed by the Projects Section within Infrastructure & Environment. At completion, building ownership will be transferred to Eildon Housing Association. The terms of this transfer will be developed as the project progresses.

6 IMPLICATIONS

6.1 Financial

- (a) The cost of the demolition of the dangerous building has largely been met from the Capital Investment Plan. It is proposed that the cost for the replacement building will be met from the second homes council tax affordable housing investment budget.
- (b) The affordable housing investment budget income can be used by local authorities to support revenue and capital expenditure related to a range of affordable housing activity. This income must be utilised in support of the delivery of local housing priorities and the proposed funding allocation meets the suitability criteria for the Council tax income generated from second homes. Table 1 below sets out current commitments. Table 2 shows the balance of available funding with the inclusion of a £2.2m commitment.

Table 1: Current 2nd Homes Council Tax financial table

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Funding brought forward	3,987	4,025	4,828	5,674	5,255	6,373
Anticipated 2nd Homes Council Tax	1,118	1,151	1,186	1,221	1,258	1,296
Total Funding Available	5,105	5,176	6,014	6,895	6,513	7,669
Current Investment Commitments	1,080	348	340	1,640	140	890
Available Funding	4,025	4,828	5,674	5,255	6,373	6,779

Table 2: 2nd Homes Council Tax financial table including the proposed £2.2m allocation

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Funding brought forward	3,987	3,825	3,628	3,474	3,055	4,173
Anticipated 2nd Homes Council Tax	1,118	1,151	1,186	1,221	1,258	1,296
Total Funding Available	5,105	4,976	4,814	4,695	4,313	5,469
Current Investment Commitments	1,280	1,348	1,340	1,640	140	890
Available Funding	3,825	3,628	3,474	3,055	4,173	4,579

- (c) This report is recommending an abnormal, but non-recurring, allocation of £2.2m which be drawn down over 2022/23, 2023/24 and 2024/25 financial years. While there will be a long term impact on the budget available through the second homes council tax affordable housing investment budget, Table 2 demonstrates the balance will remain at such a level which ensures the Council will continue to have the financial capacity to support emerging, and future, local affordable housing priorities. This capacity is critical as the construction, and wider economic, climate becomes increasingly challenging.
- (d) As indicated at paragraph 5.6 any capital receipt on completion of transfer of ownership will be receipted to the second homes council tax affordable housing investment budget in 2024/25.

6.2 Risk and Mitigations

- (a) The risk of the dangerous building in Jedburgh has now been removed in as much as the Council's acquisition in 2021 allowing for a controlled dismantling contract to commence.
- (b) In preparation for the dismantling, the Council has appointed a design team for the replacement building and a concept design prepared in preparation for the completion of the dismantling. It is intended that this will minimise the time that the prominent site in the town centre of Jedburgh will remain as a gap site.
- (c) Discussions have been progressing with Eildon Housing Association to allow for the ownership of the building to be transferred over from the Council at completion. This will remove any revenue pressure on the Council for the ongoing management of the building.

6.3 Integrated Impact Assessment

Homes produced for and managed by Registered Social Landlords [RSLs] will be allocated in accordance with their individual allocations policy and procedures. As a consequence RSLs are subject to the weight of Statutory Scrutiny via the operation of the Scottish Housing Regulator's Regulation and Inspection processes. It is considered that increasing the supply of affordable housing will have a positive effect by addressing housing type

and size mismatches at locality level which was identified an issue in the Council's current Local Housing Strategy 2017/22.

6.4 Sustainable Development Goals

- (a) By seeking to deliver more new affordable homes, the SHIP 2022/27 will continue to promote sustainable communities and helps to address many of the housing supply challenges faced locally. It is considered that there are no adverse economic or social effects resulting from the recommendations of this report. In addition, delivery of SHIP 2022/27 and potential environmental effects from new build homes will be addressed through the Council's Development Management and Planning processes and application of national policies and standards.
- (b) The objectives of the SHIP and related delivery of affordable housing projects are consistent with the United Nations Sustainable Development Goals [SDG], 11 Sustainable Cities and 13 Climate Action. Specifically the SHIP responds to the ambition of SDG 11 by promoting adequate, safe, and affordable housing, by ensuring integrated, inclusive and sustainable settlement, and by strengthening regional development planning. With respect to SDG 13, development will be at least consistent with Scottish Building Standards and the national objective of net zero greenhouse gases by 2045.

6.5 Climate Change

- (a) Given this project is the redevelopment of a previously existing building it is considered that there are minimal direct effects on the Council's carbon emissions arising from the report recommendations. While new affordable homes will have a general effect these are addressed within the Planning process and in meeting the housing Standards as set out by Scottish Government. Eildon Housing Association also aims to ensure all its new homes will be built to at least Silver Standard.
- (b) The project promotes sustainability through the redevelopment of an existing building and development of an existing site. This is viewed as a sustainable way of increasing the local supply of housing.
- (c) It should be noted that at its meeting of 25 September 2020, the Council committed to setting a target "as soon as possible" for achieving a reduction in the Council's carbon emissions, which is at least consistent with the Scottish Government's target of net zero by 2045 and the intermediate targets set out in the Climate Change [Emissions Reduction Targets] [Scotland] Act 2019. The Council's Planning and Building Standards will reflect the developing public policy position nationally and locally within Scottish Borders.

6.6 Rural Proofing

There are no rural proofing implications arising from the proposals contained within this report.

6.7 **Data Protection Impact Statement**

There are no personal data implications arising from the proposals contained in this report.

6.8 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

7 CONSULTATION

7.1 The Director (Finance & Corporate Governance), the Monitoring Officer/Chief Legal Officer, the Chief Officer Audit and Risk, the Director (People Performance & Change), the Clerk to the Council and Corporate Communications have been consulted and any comments have been incorporated into the final report.

Approved by

Name
John Curry

Title
Director – Infrastructure & Environment

Author(s)

Name	Designation and Contact Number
Donna Bogdanovic	Lead Officer, Housing 01896661392
Steven Renwick	Project Manager 01835826687

Background Papers:

Previous Minute Reference: Item

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Donna Bogdanovic can also give information on other language translations as well as providing additional copies.

Contact us at Donna Bogdanovic – Donna.Bogdanovic@scotborders.gov.uk
Steven Renwick - SRenwick@scotborders.gov.uk