

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	5 June 2019
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Acquisition of Houses at Gilbertfield, Cambuslang - Section 75 Planning Reference CR/15/0239
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval to acquire 57 new houses at Gilbertfield, Cambuslang, as part of the new Council housing programme, in fulfilment of the Planning obligations associated with the private residential development of the site

2. Recommendation(s)

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

- (1) that 57 completed affordable housing dwellings be acquired from Persimmon Homes Limited for a total price not in excess of £8.3 million (which includes the cost of land), to fulfil the Planning obligations associated with the residential development of the site, and in terms of the principal conditions contained in Section 4 of this report; and
- (2) that authority be granted to the Executive Director (Housing and Technical Resources) to authorise the transactions and instruct Legal Services to conclude transactions, in the appropriate manner and in the best interest of the Council.

3. Background

- 3.1. The site at Gilbertfield in Cambuslang is identified within the Council's Strategic Housing Investment Plan as a priority site in delivering the Council's new homes target.
- 3.2. At the Planning Committee of 28 March 2017, Persimmon Homes Ltd were granted approval for the construction of 386 dwellings at Gilbertfield, Cambuslang which included an obligation for the on site provision of up to 54 affordable homes.
- 3.3. Giving consideration to the various construction and procurement options available, the Council entered into negotiations with Persimmon Homes Ltd to provide their planning obligation for new affordable homes via a turnkey arrangement, with the Council only paying the full amount due on completion of each house. The proposal was developed on the basis of the Council's assessed need in terms of housing mix and layout and now consists of 57 units. The proposal has been assessed by the Council as representing value for money.

4. Proposal

4.1. It is therefore proposed to acquire, 57 completed houses from Persimmon Homes Ltd, subject to the following principal conditions:-

- ◆ Persimmon Homes Ltd obtaining planning permission
- ◆ the Council will pay a deposit of £15,500 per unit
- ◆ an additional payment of £20,000 will be made when foundations are complete, with works valued on a quarterly basis
- ◆ the remainder of the purchase price will be paid upon completion and transfer of title
- ◆ the properties will be acquired in batches of 6 units or more at a time
- ◆ the Council will obtain a standard security over the site until such times as all houses have been completed
- ◆ 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. This site and the associated new homes had been under consideration for inclusion in the Council's new housing programme and, based on the feasibility studies carried out, it is proposed now to incorporate this site within the programme.

6.2. Acquisition of the completed homes will be funded from the Housing Revenue Account Capital Programme approved by Council on 20 February 2019.

6.3. The current proposal is to purchase 57 completed homes from Persimmon Homes Ltd, at a total cost not to exceed £8.3 million, which includes the cost of the land.

7. Other Implications

7.1. If the proposal did not proceed there would be implications to the delivery of the new Council housing programme.

7.2. There are no implications for sustainability in terms of the information contained within the report.

8. Equality Impact Assessment and Consultation Arrangements

8.1. All necessary consultations with Housing, Planning, Roads and Legal Services have taken place and they are supportive of the proposal.

8.2. 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)

15 May 2019

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 effectiveness

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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