

Report

13

Report to:	Estates Committee
Date of Meeting:	19 September 2006
Report by:	Executive Director (Enterprise Resources)

Subject:	Proposed Sale of Site at High Whitehills Road, East Kilbride
----------	---

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, by the Executive Director (Enterprise Resources), in consultation with the Chair and an ex officio member, to authorise a reduction in the disposal price for the site at High Whitehills Road, East Kilbride to reflect the abnormal costs.

2 Recommendation(s)

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

- (1) that the following action taken, in terms of Standing Order 36(c), by the Executive Director (Enterprise Resources), in consultation with the Chair and an ex officio member, be noted:-
 - ◆ approval of the reduction in the total purchase price from £1,950,000 to £1,675,000 exclusive of VAT, in view of the abnormal costs outlined in paragraph 3.2 for the sale of the site at High Whitehills Road, East Kilbride to Persimmon Homes Ltd.
 - ◆ authorisation of the Executive Director (Enterprise Resources), in consultation with the Head of Legal Services, if appropriate, to conclude the necessary legal agreements on behalf of the Council.

3 Background

3.1 The Estates Committee at their meeting of 13 December 2005, approved the proposal to sell the surplus site at High Whitehills Road, East Kilbride extending to 1.687 hectares or thereby shown on the accompanying indicative plan to Persimmon Homes Ltd for the sum of £1,950,000 exclusive of VAT. This proposal was subject to the necessary consents being granted for the development of a forty two unit housing development including twelve units which would be constructed for rent and would be transferred to East Kilbride and District Housing Association. In addition the transaction was subject to satisfactory site investigation reports.

3.2 Following detailed site investigations Persimmon Homes Ltd submitted a geo-technical report supporting abnormal costs of £394,455. These costs reflect

contamination removal, abnormal foundation requirements including piling, deep strip foundations, gas protection measures, abnormal drainage and water supply costs and service diversions. Following negotiations, with the assistance of the Council's geo-technical engineer the costs were revised down to £275,000. The Council's geo-technical engineer therefore has advised that the revised costs of the abnormal works are now both fair and reasonable.

- 3.3 In order to accommodate East Kilbride and District Housing Association who had funding available in March 2006, an initial tranche of the site (0.237 hectares), as shown on the indicative plan as area B, was disposed of to Persimmon Homes Ltd with a date of entry of 31 March 2006 for the sum of £420,000. This area will be developed for the Housing Association's housing for rent. This left a residual settlement sum of £1,530,000 of which the aforementioned abnormal costs will be deducted leaving a balance for settlement of £1,255,000, exclusive of VAT, for the remainder of the site extending to 1.45 hectares.

4 Proposal

- 4.1 It is proposed therefore to dispose of the remainder of the site at High Whitehills Road, East Kilbride extending to 1.45 hectares or thereby, as shown on the indicative plan A, to Persimmon Homes Ltd at the revised net price of £1,255,000, exclusive of VAT.

5 Employee Implications

- 5.1 There are no employee implications.

6 Financial Implications

- 6.1 Disposal of the site has generated a capital receipt of £420,000 and will generate a further net capital receipt of £1,255,000 for the Council's Non-Housing Programme.

7 Other Implications

- 7.1 There are no other implications.

8 Consultation

- 8.1 All necessary consultation with Roads, Planning, Legal Services , Housing and Technical Resources have taken place.

Iain Urquhart
Executive Director (Enterprise Resources)

21 August 2006

Link(s) to Council Objectives

- Local Housing Strategy
- Creating Successful Communities
- Living in the Community

- Supporting our Communities
- Managing South Lanarkshire's Wealth of Resources

Previous References

- Estates Committee 13 December 2005

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Bill Barr, Surveyor, Estates and Support Services

Ext: 5147 (Tel: 01698 455147)

E-mail: bill.barr@southlanarkshire.gov.uk

LOCATION PLAN - For Committee Purposes Only

Land at High Whitehills Road
East Kilbride



ESTATES SERVICES



This map is based upon Ordnance Survey material with the permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office.
© Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings.
South Lanarkshire Council, Licence Number 100020730 2006

09/08/2006