

Report

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Report to:	Estates Committee
Date of Meeting:	1 March 2011
Report by:	Executive Director (Enterprise Resources)

Subject:	Disposal of Land at Fernhill Road/Neilvaig Road, Fernhill, Rutherglen
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval to sell land at Fernhill Road/Neilvaig Road, Fernhill, Rutherglen to West of Scotland Housing Association Limited for the provision of housing for rent and for shared equity sale.

2. Recommendation(s)

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

- (1) that authority be given to sell four areas of land, totalling 2.62 hectares (6.47 acres), or thereby, to West of Scotland Housing Association Limited (WHSA) at a net price of £1,296,612 excluding VAT, for the provision of housing for rent and for shared equity sale.
- (2) that the Executive Director, (Enterprise Resources), in consultation with the Head of Legal Services, if appropriate, be authorised to take appropriate action to conclude all legal agreements in the best interest of the Council.

3. Background

- 3.1 Fernhill is a community largely made up of local authority housing comprising a mixture of tenement flats, semi-detached and terraced properties. A lack of demand for certain types of flatted property has resulted in deterioration in some blocks and, to reverse the decline, a range of proposals for housing and regeneration have been set out in a Neighbourhood Management Plan. The Plan has been prepared in consultation with the local community, key stakeholder agencies and community planning partners and will also tackle wider issues and improve local services to help ensure a lasting change in the area
- 3.2 On the basis of their development capacity and regeneration experience, West of Scotland Housing Association was selected in consultation with the Scottish Government (Housing Investment Limited), to deliver the first phase of 62 new homes. Having successfully completed the first phase, West of Scotland Housing Association and their appointed developer will proceed to develop the second phase, constructing 82 new homes for rent and 15 homes for shared equity sale, over four sites.

- 3.3 The four sites are shown on the attached plan and notated 2.1, 2.2, 2.3a and 2.3b. All sites have been cleared of buildings with the exception of 2.3b which has a 4 storey block of 16 maisonette flats at 1 to 31 Galloway Drive, with some tenants and owners currently in occupancy. These residents have been allocated new homes in the first phase of the development on site 2.1 and will relocate on completion of the build. The existing building will thereafter be demolished and the site cleared prior to being sold to West of Scotland Housing Association to complete the development. The purchase price shall be paid at the date of the land conveyance.
- 3.4 The Executive Committee, at its meeting on 28 April 2010, declared the land surplus to the Council's operational requirements.
- 3.5 The Housing and Technical Resources Committee, at its meeting on 29 September 2010, approved the transfer of the land to West of Scotland Housing Association Limited.
- 3.6 The Planning Committee, at its meeting on 1 December 2009, granted West of Scotland Housing Association Limited consent to construct 97 units over the 3 sites.

4. Employee Implications

- 4.1 There are no employee implications in connection with this transaction.

5. Financial Implications

- 5.1 The purchase price has been negotiated with the District Valuer and agreed at £1,490,000, excluding VAT. As a result of site investigations, additional works will require to be undertaken before building can commence. The abnormal costs of these works have been agreed at £193,388, leaving a net purchase price of £1,296,612 excluding VAT which will generate a capital receipt for the Housing Revenue Account.
- 5.2 The price shall be paid in 2 stages, with £1,202,612 paid on the date of transfer of sites 2.1, 2.2 and 2.3a and £94,000 paid on the date of transfer of site 2.3b.
- 5.3 The aforementioned figure may be subject to a further deduction for "Abnormal Costs" should additional adverse ground conditions be revealed as a result of site investigations on site 2.3b and, consequently, may be the subject of a further report to Committee.
- 5.4 Each party will be responsible for the payment of their own fees and outlays in connection with the sale of the land.

6 Other Implications

- 6.1 The areas identified in the report form part of the regeneration strategies previously agreed by the Council for the Fernhill area and will be used to deliver new housing for rent to meet local need in partnership with the Scottish Government (Housing Investment Division), local housing association partners and private developers.
- 6.2 The proposed development comprises the regeneration of cleared brownfield sites and meets some of the objectives of the Council's Sustainable Development Strategy.
- 6.3. The risks in not proceeding with this proposal are that important Council objectives will not be met and the capital receipt will not be available to the Housing Revenue capital programme.

7. Equality Impact Assessment and Consultation Arrangements

- 7.1 Consultation with residents and stakeholder agencies in the Fernhill regeneration area continues on an ongoing basis through Neighbourhood Boards and public meetings, to inform the detailed plans for the area. In addition, there is ongoing consultation with appropriate Council Resources on the regeneration masterplan for Fernhill.
- 7.2 This report does not introduce a new policy function or strategy or recommend a change to existing policy, function or strategy and therefore, no impact assessment is required.

Colin McDowall
Executive Director (Enterprise Resources)

7 February 2011

Link(s) to Council's Objectives/Improvement Themes/Values

- Improve the quality, access and availability of housing
- Improve the quality of the physical environment
- Tackling disadvantage and deprivation
- Sustainable development

Previous References

- Executive Committee 28 April 2010
- Housing and Technical Resources Committee 29 September 2010
- Planning Committee 1 December 2009

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

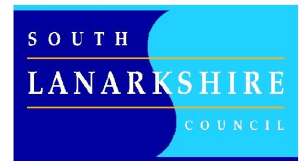
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LOCATION PLAN - For Committee purposes only

Fernhill Road/Neilvaig Drive
Rutherglen



REGENERATION SERVICES

