

To: Planning and Property Policy Board

On: 23/8/2016

Report by: Director of Finance and Resources

Heading: Disposal of Site of Former Stewart House, Glendee Road, Renfrew.

1. Summary

- 1.1 This report advises the board on the outcome of ongoing negotiations to adjust the offer price for the sale of the site of the Former Stewart House, Glendee Road, Renfrew, and seeks the approval of the final purchase price to allow the sale to be concluded.
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2. Recommendations

- 2.1 It is recommended that the Board authorise the Head of Corporate Governance to conclude the sale of the site to Miller Homes Limited at the revised purchase price as outlined in this report.
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3. Background

- 3.1. The Planning and Property Policy Board at its meeting on 12th May 2015, considered the offers submitted for the purchase of the site and agreed to accept the offer submitted on behalf of Miller Homes Limited, as their offer was the most suitable in terms of the offer price and also in terms of the number of housing units proposed at the site. The site is shown for information as Area 2 on the attached report plan E2409.

- 3.2. All offers received contained the usual suspensive conditions including those in relation to adequacy of ground conditions, no abnormal site development costs and the securing of planning permission.
- 3.3. There has been extensive discussion between legal representatives of Miller Homes Limited and Legal Services about the terms of missives of sale.
- 3.4. Miller Homes have undertaken the required site investigations to allow them to finalise development proposals for the site. Planning permission however remains outstanding and will be considered utilising delegated powers, with a decision expected in due course.
- 3.5. During discussions with Miller Homes Limited, it was identified that a secondary access would be beneficial to the site to assist the development outcome proposed. The access proposed is identified as Area 1 on the attached report plan E2409, held separately within the Housing Revenue Account. The Housing and Community Safety Policy Board on 10th November 2015 declared the land surplus to requirements and authorised its transfer to the General Services Account in the event that a sale is concluded with a developer over the neighbouring land. The disposal of land was subject to approval from the Scottish Government however following guidance issued in March 2016 the Council has approved a “deemed” consent. The report also confirmed that any value achieved by the inclusion of the site would be reflected in a payment to the Housing Revenue Account. It is considered appropriate to pro-rata the sale value achieved based on respective site areas as proportions of the overall sale site area, therefore the HRA will be credited by an amount of £47,385 representing 3.9% of the land total and the sale price.
- 3.6. Discussions between Miller Homes Ltd and the Council's Property Services resulted in a provisional agreement being reached as to the extraordinary development costs associated with the suspensive conditions to be included in the missives of sale. The Council's Engineers considered the submission by Miller Homes and are satisfied that the reduction now sought is fair and reasonable given the information provided from the ground condition reports.
- 3.7. In recognition of the difficulties presented in progressing a development by the purchaser, a function of both previous historic uses and the topography of the site, confirmed by existing ground condition reports provided to the Council by the purchaser, it is proposed that the original offer price of £1,815,000 be adjusted to **£1,215,000** to reflect abnormal site development costs and current market appraisal.

Implications of the Report

1. **Financial** – Significant capital receipt for the Council totalling £1,215,000 for the sale of both sites. This to be split £1,167,615 to the General Services Account and £47,385 to the Housing Revenue Account.

2. **HR & Organisational Development** – None.
3. **Community Planning** –
Children and Young People – None.
Community Care, Health & Well-being – Modern housing to assist in the sustainability and enhancement of this important community.
Empowering our Communities – None.
Greener – Remediation of contaminated brownfield land at the site.
Jobs and the Economy – Support of local trades in housebuilding.
Safer and Stronger – Integration of community members and enhanced community spirit.
4. **Legal** – Conclusion of the sale of the site.
5. **Property/Assets** – As per the report.
6. **Information Technology** – None.
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report as the housing proposed is generally compliant with modern access standards. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – Transfer out of Council ownership of any liabilities relating to the holding in ownership of the site.
9. **Procurement** – None.
10. **Risk** – None.
11. **Privacy Impact** – None.

List of Background Papers

- (a) Background Paper 1 – Report entitled “Former Stewart House, Glendee Road, Renfrew” reviewed at the Planning and Property Policy Board on 12th May 2015.

Background Paper 2 – Report entitled “Land at Glendee Gardens, Renfrew” reviewed at the Housing and Community Safety Policy Board on 10th November 2015.

The foregoing background papers will be retained within Finance and Resources for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Joe Lynch, Head of Property Services, telephone : 0141 618 6159, email : joe.lynch@renfrewshire.gov.uk

Author: John Mitchell tel: 0141 618 6177 / john.mitchell@renfrewshire.gov.uk

Ref: Document1

Date: 10/08/2016



Renfrewshire
Council

Former Stewart House site, Glendee Road, Renfrew

Report Plan Ref. E2409



1:1,250

User: howardhaughj2

Date: 21/10/2015



Notes:

Legend

- Area 1 - 53sqm or thereby
- Area 2 - 1.3 hectares or thereby

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