

EAST RENFREWSHIRE COUNCIL27 April 2022Report by Director of EnvironmentPROPOSED SALE AND MARKETING OF LAND (BARRHEAD SOUTH)**PURPOSE OF REPORT**

1. To advise members of the proposed sale and marketing of land (Barrhead South) which is held on the Housing Revenue Account.

RECOMMENDATIONS

2. It is recommended that the Council approve:
- a) The commencement of marketing for sale 21.6ha (53.4 acres) of land held on the housing revenue account located at Springfield Road, Barrhead, as indicated on the plan: and
 - b) The proposed revised affordable housing framework for the site as outlined in paragraph 19 of this report.

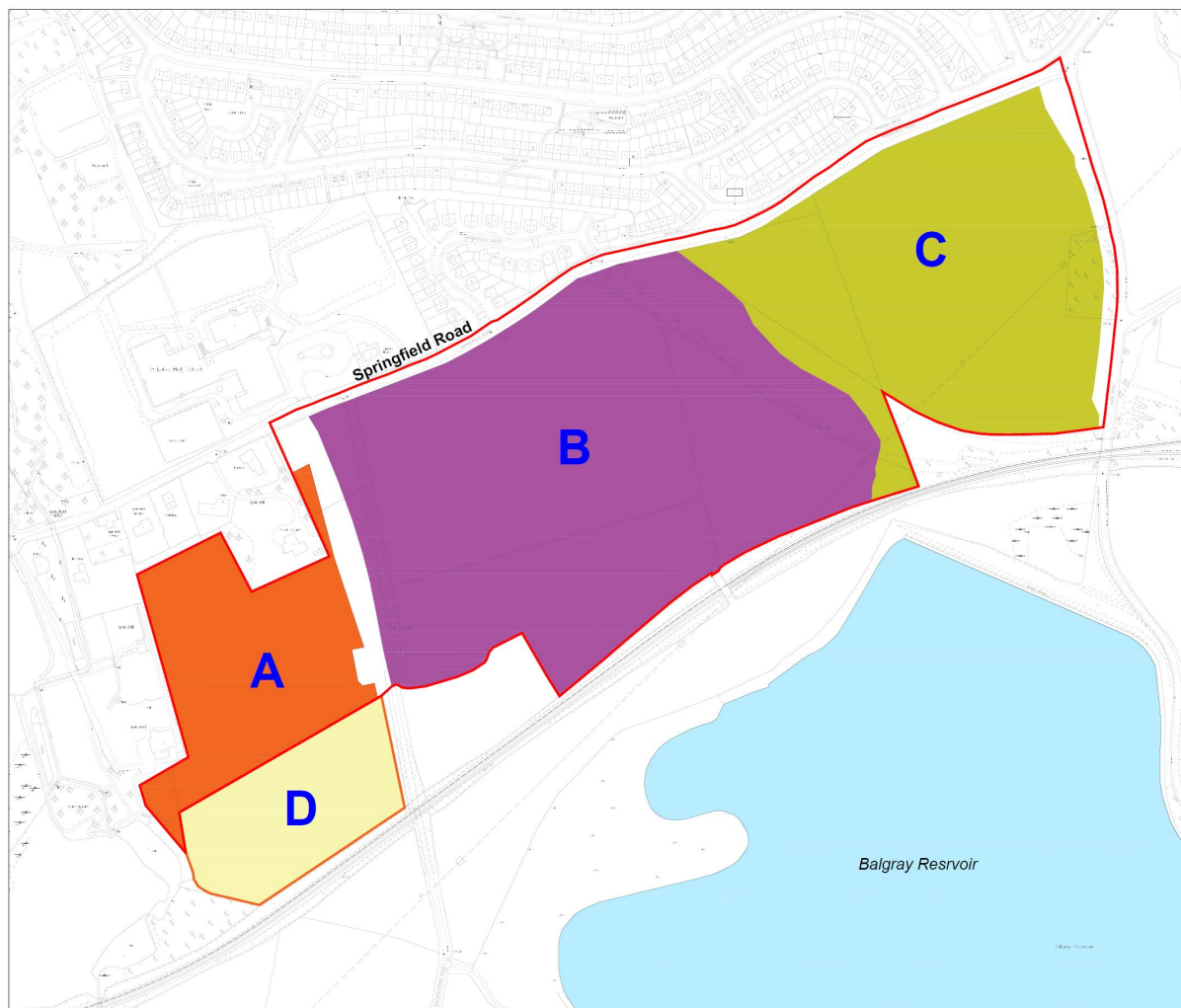
BACKGROUND AND REPORT

3. ERC owns, in total, over 60 acres of land at Barrhead South held on the Housing Revenue Account (HRA). The land forms part of the overall Strategic Development Opportunity (SDO) released by ERC under the Local Development Plan 1 of 2015 which includes areas of privately owned land which are under development by a number of house-builders including Miller, Avant and Taylor Wimpey following the successful conclusion of a SDO Collaboration Agreement. The Agreement has resulted in the construction of substantial road upgrades in the area and delivered a new water supply to service the housing release.

4. The Council HRA land is included within the Supplementary Planning Guidance (SPG): Barrhead South Masterplan-June 2015 which is the Council approved planning document allocating the East Renfrewshire Council HRA land for the development of up to around 388 houses within the red line shown on the plan below out of a total across the entire SDO area of 1023 units.

5. In February 2015 the Scottish Government gave their indicative consent (as is required under the relevant legislation in relation to HRA land) for the marketing and sale of the red lined area of land for residential development in accordance with the SPG.

6. The plan below details the elements of the HRA land.
- Area A- this is for proposed sale
 - Area B – this is for proposed sale
 - Area C – this is for proposed sale
 - Area D – this is the site of 47 new council houses currently being built at Balgraystone



7. The total land areas for marketing are:

- Area A = 3.14ha (7.76 acres)
- Area B = 11.35ha (28.04 acres)
- Area C = 7.12ha (17.59 acres)

Total = 21.61ha (53.39 acres)

8. The land area for sale comprises sites A, B and C which will be marketed. It is estimated that this combined area of approximately 22ha (54acres) could accommodate around 340 units.

9. In May 2020, ERC appointed planning and engineering consultant Ironside Farrar to provide technical support and to investigate site/buildability issues associated with the ERC HRA land to maximise the capital receipt from the land to be sold, with the receipt to be invested in developing council houses in other parts of the council area.

10. Ironside Farrar have compiled the following technical reports;

- a. Archaeology desk study.
- b. Bat survey and species protection plan
- c. Ecology assessment
- d. Flood risk assessment

- e. Drainage strategy
- f. Land engineering strategy
- g. Geo-technical and geo-environmental investigations
- h. Utilities and infrastructure study
- i. Noise and transport assessment

11. Ironside Farrar have also prepared a specific masterplan for the Council owned land to be sold, which sets out a development pattern and identifies the proposed location of housing, roads, suds ponds, open space etc. along with a drainage and earthworks strategy. This masterplan (indicating that the land is capable of accommodating around 340 homes dependent on size and density) will help significantly with the marketing of the site, although it has no planning status.

12. In September 2020, ERC appointed Avison Young property consultants to advise on the disposal of the HRA land asset.

13. In terms of marketing for sale, Avison Young have provided the following advice and recommendations:

- They believe there is good demand in the market at this time which may tail off during 2022.
- The site could be sold in one lot or sub-divided and sold in smaller parcels. Detailed advice on the process of sale, and the lot size to be sold, will be provided by Avison Young guided by the response to initial marketing.
- Avison Young will develop a dedicated micro-website providing property particulars and sale details. They will also run an access controlled data room for all relevant technical information.
- The opportunity will be advertised on Avison Young's website and on a number of commercial websites including Co-Star, Novaloca and EG Property Link.
- Avison Young will also direct-mail their industry specific contact list.

14. Now that Ironside Farrar have prepared a master plan and Avison Young have provided advice on current market conditions, on receipt of Council approval it is proposed to commence marketing the land immediately to house builders.

Affordable Homes

15. The council's affordable homes policy is detailed within the Local Development Plan and its supporting Council approved supplementary planning guidance (SPG) on affordable housing. These documents, along with supporting strategic documentation (including the Barrhead South Master Plan SPG) provide the guidance for the scale and tenure of the affordable housing to be provided at Barrhead South.

16. The council's affordable housing policy requires residential developments of 4 or more dwellings to make provision for a minimum 25% affordable housing contribution. This contribution may be made on site or by means of a commuted sum payment or alternatively off site.

17. Due to the pressing need to deliver social rented homes and to meet Scottish Government funding deadlines, the council went ahead with plans to deliver social rented housing on a (2ha) section of its overall landownership at Barrhead South (referred to as Balgraystone Road).

18. Plans were approved to deliver 47 new social rented houses at Balgraystone Road. These homes are currently under construction and nearing completion.

19. It is recommended that the previously approved affordable housing requirement (as set out in the previous Council approved Barrhead South Master Plan SPG framework) for the remaining 22 ha (53 acres) council owned site at Barrhead South is revised to be the following:

- 8.5% on-site Entry Level for Sale Homes, limited to 800sqft in size, unsubsidised, developed and sold by a future private developer on the open market; (*no change to the existing framework*);
- 8.5% of units exercised as an Affordable Housing Commuted Sum (already included in the per unit development contribution sum agreed for Barrhead South Master Plan area sites); (*no change to the existing framework*); and
- 8% (the remainder of the 25% affordable housing requirement) exercised as a further commuted sum, to be determined separately in line with council's Affordable Housing SPG, and be paid early, within 28 days of the grant of any future planning permission, so that it can support the Council's current new build programme. (*revision to the existing framework*).

20. This revision would take account of the fact that social rented homes have already been provided in this area and would maintain the Council's min 25% affordable housing policy position for any future planning application received for the remainder of Council land at Barrhead South.

FINANCE AND EFFICIENCY

21. Given a successful marketing campaign, the total income from this disposal could be in the region of £10m, received over a number of years.

22. This income is essential for the business plan of the Housing Revenue Account.

CONSULTATION

23. Consultation with tenant groups has taken place who are supportive of the sale.

PARTNERSHIP WORKING

24. Planning, Estates, City Deal and Legal colleagues have been consulted on the proposed way forward.

IMPLICATIONS OF THE PROPOSALS

25. There are no legal, financial or HR implications associated with this report.

CONCLUSIONS

26. Avison Young have carried out a degree of soft market testing and are advising that there is an encouraging level of demand in the market at this time which is likely to result in a competitive bidding situation and a successful sale.

27. Ironside Farrar have investigated the technical conditions surrounding the site. This along with the masterplan will support marketing. In addition they have gained sufficient understanding of the site constraints that will allow Council staff to knowledgeably negotiate with any prospective purchaser in terms of agreeing deductions for abnormal costs.

RECOMMENDATIONS

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Director of Environment

Further information can be obtained from - Andrew Cahill, Director of Environment – andrew.cahill@eastrenfrewshire.gov.uk

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