

EXCERPT FROM THE MINUTES OF THE MEETING OF HOUSING COMMITTEE OF
28 JANUARY 1998KILSYTH HOUSING ACTION AREA - 33-37 AND 83-87 MAIN STREET AND 3 BACKBRAE
STREET, KILSYTH

56. With reference to paragraph 49 of the Minute of this Committee held on 29 January 1997 there was submitted a report (docketed) dated 22 January 1998 by the Director of Housing (1) outlining proposals for the redevelopment of the site at 33-37 and 83-87 Main Street, Kilsyth and 3 Backbrae Street, Kilsyth as part of the Kilsyth Housing Action Area Development; (2) detailing the current position with regards to negotiations for the disposal and acquisition of land and demolition of property at the development site including all relevant costs, and (3) proposing that once all of the land and property issues in relation to the development site had been concluded, ownership transfer to the West of Scotland Housing Association, one of the partners in the Development, at nil value, subject to the agreement of the Secretary of State for Scotland.

Decided:

- (1) that it be noted that the acquisition of 3 Backbrae Street, Kilsyth which formed part of the same site as 83-87 Main Street, Kilsyth would be included in the total acquisition cost of £96,000;
- (2) that the disposal of the site at nil value to the West of Scotland Housing Association, subject to the consent of the Secretary of State for Scotland be approved;
- (3) that the action taken by the Director of Housing in seeking the consent of the Secretary of State for Scotland for disposal of the site at nil value be homologated;
- (4) that the ongoing discussions with the West of Scotland Housing Association with a view to that organisation acquiring the site from its owners and being reimbursed by the Council, as an alternative to the disposal of the site at nil value be noted, and
- (5) that the report be referred to the Planning and Development Committee for consideration of the various land and property issues as detailed in the report.

NORTH LANARKSHIRE COUNCIL

REPORT

To : HOUSING COMMITTEE		Subject : KILSYTH HOUSING ACTION AREA 33-37 MAIN STREET, 83-87 MAIN STREET AND 3 BACKBRAE STREET KILSYTH
From : DIRECTOR OF HOUSING		
Date : 22 JANUARY 1998	Ref : GW/IMcMLV/6	

1. Introduction

- 1.1 The purpose of this report is to advise Committee of progress on the redevelopment of the property at 83-87 Main Street, Kilsyth and to confirm the Council's agreement to dispose of the site, once acquired, at nil value to West of Scotland Housing Association, subject to the consent of the Secretary of State for Scotland.

2. Background

- 2.1 The proposal for redevelopment of the above site and the nearby site at 33-37 Main Street was approved by the Housing Committee on 28 August 1996, viz. "To continue negotiation with West of Scotland Housing Association, Scottish Homes and the owners with a view to demolition and new build at 33-37 and 83-87 Main Street, with the Council funding the acquisition costs, Scottish Homes funding the new build, and the Council receiving nomination rights." A subsequent report was approved by the Housing Committee on 29 January 1997, including the recommendation, "To continue negotiations with a view to demolition and new build at 33-37 and 83-87 Main Street with the Council funding the acquisition costs, noting that the proposed development would be new housing for shared ownership". Although not stated explicitly, it is implicit in the reports that the Council would receive no proceeds from transfer of the sites to the Housing Association.
- 2.2 This proposal must be seen in the context of the overall Housing Action Area project for Kilsyth Town Centre, which has been ongoing for a considerable number of years. The project is a partnership between the Council, Scottish Homes, the Lanarkshire Development Agency and West of Scotland Housing Association. Phases 1 and 2 of the project are complete and a Working Group representing the partners has been involved for some time now in planning Phase 3, which would almost complete the work in the Town Centre.
- 2.3 Budget costs for the rehabilitation of each of the buildings in Phase 3 were obtained by the Housing Association's consultants. These costs included a figure of £ 338,884 for 33-37 Main Street and £192,000 for 83-87 Main Street. Each building contains two shops and one flat, and the Council would have been asked to provide Improvement and Repairs Grants totalling £213,000 for 33-37 and £125,000 for 83-87 Main Street. Grants for Phase 3 are to be calculated using the same formulae as used for the previous phases.

- 2.4 The total potential investment by the Council of around £350,000 including agency fees to obtain two rehabilitated flats and four rehabilitated shop units, all in private ownership, was seen as very poor value for money. This view led to the proposal to delete these two buildings from the rehabilitation proposals, and to acquire them with a view to demolition and redevelopment of the sites. Scottish Homes, who fund the Housing Association, made it clear that although they had already invested heavily in Kilsyth Town Centre, they were agreeable to extend their contribution to fund these new build sites, on which a total of 10 houses can be constructed, but that the proposal would only be economical if the cost of acquiring the sites and demolishing the present buildings was excluded from the equation. The reason for the high costs is attributed to the constraints of developing two very small town centre infill sites. The site at 83-87 Main Street also includes the small shop at the rear of the site, the address of which is 3 Backbrae Street, which the Council also requires to purchase in order to facilitate redevelopment.
- 2.5 It was agreed that, in terms of the Partnership, the Council would fund the acquisition costs, (assessed by the District Valuer as being in the order of £150,000) from its Non-HRA Housing Capital Budget, the demolition costs would be wholly or largely funded by the Lanarkshire Development Agency, and the new construction by Scottish Homes.
- 2.6 From the Council's viewpoint, its proposed actual expenditure from the Non-HRA Capital Budget has been reduced from £350,000 to £150,000, whilst the output in terms of housing has increased from two units, privately-owned, to ten new units, to which the Council will be able to nominate applicants from the waiting list or transfer list who are interested in shared ownership.

3. The current position

- 3.1 Negotiations with the owners of the properties at 33-37 Main Street are still at a preliminary stage. Negotiations with the owners of the properties at 83-87 Main Street however are now almost complete, and acquisition on the basis of market values assessed by the District Valuer could be concluded shortly at a cost of £96,000. In discussion with the Director of Planning and Development and the Director of Administration it has been noted that subsequent disposal of the site by the Council would be subject to the requirements of the Local Government (Scotland) Act 1973, whereby land cannot be disposed of other than at market value or at the best value which can be obtained. This requirement may be amended in any particular case by the consent of the Secretary of State.
- 3.2 It is intended the demolition of the buildings on the site will be funded by the Lanarkshire Development Agency, and the potential market value of the site after demolition is estimated by the Director of Planning and Development as around £40,000. The development site includes a small area of ground which is held on the Planning and Development Account which will also require to be transferred to the Housing Association. The market value of this ground is estimated as £8000.
- 3.3 In view of the background to this proposal there is a clear case for proceeding at 83-87 Main Street as planned. The proposal will:
- Continue the successful partnership approach,
 - Assist the completion of the renewal of Kilsyth Town Centre,
 - Provide five new quality dwellings for shared ownership, to which applicants on the Council's waiting and transfer lists will have priority,

- Reduce the Council's actual expenditure from the Non-HRA Capital Budget compared with rehabilitation.

3.4 The Council's intention for the site is that once acquired, its ownership be transferred without delay to West of Scotland Housing Association. An alternative procedure would be for the Association to acquire the properties direct from the present owners, with the Council simultaneously contributing the acquisition costs from its Non-HRA Capital Budget into an appropriate account. This procedure would have a number of advantages and is currently being discussed with the Housing Association.

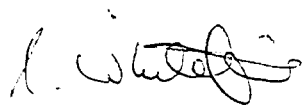
4. Recommendations

It is recommended that Committee:

- 4.1 (a) note that the site at 83-87 Main Street, Kilsyth includes the shop to the rear, the address of which is 3 Backbrae Street, which is also to be acquired and is included within the total acquisition cost of £96,000.
- 4.2 (b) confirms its intentions to deal with the site as planned, disposing of it at nil value to West of Scotland Housing Association, subject to the consent of the Secretary of State, or, if the properties are acquired direct by the Housing Association, contributing the acquisition costs from the Non-HRA Capital Budget to an appropriate account.
- 4.3 (c) homologates the action taken to make a submission to the Secretary of State in this regard.
- 4.4 (d) refers this report for the consideration of the Planning and Development Committee which requires to approve all property transactions.
- 4.5 (e) request that the Planning and Development Department release the land held on their account which is required for redevelopment at nil value subject to the consent of the Secretary of State.

5. Background Papers

5.1 Background papers available within the Housing Department.



G Whitefield
Director of Housing

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