
Report To:	Environment and Regeneration Committee	Date:	17th June 2014
Report By:	Corporate Director Environment, Regeneration and Resources	Report No:	R335/AF
Contact Officer:	Aubrey Fawcett	Contact No:	01475 749822
Subject:	Development of Self Build Opportunity at Leperstone Avenue, Kilmacolm		

1.0 PURPOSE

- 1.1 The purpose of this report is to provide Members with an update on progress in relation to the development of self-build housing plots at Leperstone Avenue, Kilmacolm, which is an initiative contained within the Repopulation Action Plan, and to seek authority for a range of proposals.

2.0 SUMMARY

- 2.1 Members were advised at the Policy and Resources Committee on 25th March 2014 that the site at Leperstone Avenue in Kilmacolm had been identified as an opportunity for a self-build development and it was estimated that eight houses could be built on the site and that the next stage would be to develop a full plan in time for the May 2014 Scottish Homebuilding Show in Glasgow where the site would be promoted.
- 2.2 The Show was very successful in attracting a high level of interest for the self-build plots and a total of 81 enquiries were received during and after the Show with individuals from such places as Ayrshire, Lanarkshire, Glasgow, Renfrewshire and as far afield as the Highlands and Dublin.
- 2.3 In order to progress with the development approval is sought to:
- develop the scheme which enables the Council focus on delivering on the objective of increasing Inverclyde's population whilst recognising our obligations for delivering services to all; and,
 - Engagement with Riverside Inverclyde (ri) to assist with delivering the development taking cognisance of the legal framework which the Council operates within.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee:-
- a) Approve that Leperstone Avenue should be developed for self-build housing, subject to the planning process and other legal requirements, all as outlined in para. 5.2 below;
 - b) Delegate authority to the Corporate Director Environment, Regeneration and Resources to:
 - i. engage Riverside Inverclyde to develop a scheme which focusses on the objective of increasing Inverclyde's population;
 - ii. where required and to assist in delivering b) i above, enter into a development agreement to transfer the Leperstone site to ri with income generated retained and reused under the direction of the Council to bring forward other self-build sites available to interested parties who live outwith Inverclyde as well as local Inverclyde residents; and
 - c) Note that further reports will be brought back to Committee to update on progress on a regular basis.

4.0 BACKGROUND

- 4.1 Members will be aware that Repopulation has been identified as a key priority for the Council and as such was afforded a specific Outcome within the Single Outcome Agreement. A budget of £1m was allocated by the Policy & Resources Committee to this initiative and the funding was spread over nine Workstreams on which regular updates are provided by Lead Officers. From the £1m fund an allocation of £250,000 was identified to bring forward a self-build development.
- 4.2 As part of the Repopulation Outcome Delivery Group Action Plan Progress Report January 2014, Members were advised of progress in relation to the proposed self-build development planned at Leperstone Avenue, Kilmacolm.
- 4.3 The site was previously considered by Members at Committee on 2nd May 2013 where it was agreed that definitive proposals for the disposal of the site would be brought back to Committee for consideration. Members at this Committee were also asked to note a range of options for bringing forward development on a number of sites. In relation to the Leperstone Avenue site the Consultant's initial outline masterplan indicated approximately 9 self build plots – the latest detailed masterplan, which takes cognisance of market intelligence and more detailed knowledge of site constraints, reduces this to 8.
- 4.4 The project has been developed over the past few months and the following progress has been made:
- Outline design proposals have been developed, see Appendix A. The detailed masterplan accommodates plots ranging in size from 441-790 m2 and a range of values which could potentially generate an estimated receipt in excess of £700k.
 - Outline assessment of the site in relation to site constraints, ground conditions, service capacity and ground levels.
- 4.5 In summary, the feasibility undertaken to determine the suitability of the site concluded that:
- The site appraisal and evaluation of desirable house and plot size has shown that the site at Leperstone Avenue is capable of supporting 8 self-build plots.
 - To realise the potential of the site, service diversions of existing HV cable and surface water culvert will be required.
 - All main services are available adjacent to the site with sufficient capacity to serve the proposed development and new supply costs have been obtained.
 - A Sustainable Urban Drainage System will be required to service the plots and this has been taken into account in the civil engineering solution.
 - In the Cost Plan provision has been made for creating a new road, the SUDS system and providing services to each plot at an estimated cost of up to £500,000.
- 4.6 The development was rolled out to the public at the Scottish Homebuilding Show and the Ideal Home Show both held in Glasgow in May 2014. There was considerable interest with the following level of enquiries:

Council area	Relocation & renovation show	Ideal Home Show	e-mail/ social media	TOTAL
Renfrewshire	7	2	9	18
Glasgow	7	4	3	14
Ayrshire	6	5		11
Lanarkshire	2	3	1	6
Inverclyde	1		5	6
Edinburgh	4	1		5
East Renfrewshire		2		2
London			1	1
Highland		1		1
Falkirk	1			1
West Lothian	1			1
Stirling		1		1
Dublin			1	1
No address supplied			28	28
	29	19	48	96

4.7 The development also received national coverage in the general and technical press.

5.0 PROPOSAL

5.1 Members should be aware that there are very few authorities, if any, which are currently progressing an initiative of this nature and as such it can be described as a pioneering approach to addressing the issue of depopulation. Inherent in the rolling out of any innovative or pioneering development is that there will be matters which will be required to be managed and addressed as we become focussed on re-growing our population. An obvious matter is the issue of focus on the disposal of land to parties outside Inverclyde, which some local residents may feel restricts their opportunity to purchase. It should be recognised however that this initiative is being promoted as part of the Repopulation Action Plan. In order to address these concerns and subject to the success on the Leperstone site, it is proposed that other sites which are owned by the Council and suitable as self-build opportunities, will be brought forward in due course and that profits emerging from this development would be used to assist in this regard.

5.2 It is proposed that the project is now developed and in order to do so the following requires to be progressed:

- a. Development of a mechanism to enable the overall site to be developed and plots laid out for sale. In this regard it is considered appropriate, subject to ri Board approval, that ri effectively undertakes the project management/developer's role and undertakes the general infrastructure works, establishes the self-build plots and markets and disposes of the land on behalf of the Council.
- b. ri establishes a scheme of application for interested purchasers to make application for purchase which enables ri, on behalf of the Council, to dispose of plots for the purposes of meeting the Council and Inverclyde Alliance's repopulation objectives.
- c. ri establishes the disposal scheme to protect ri and the Council from property speculators whilst encouraging private purchasers from beyond Inverclyde to hold on to ownership for a minimum period. The disposal scheme will include specific provision for a discount on the plot purchase price to be offered to qualifying purchasers from beyond Inverclyde. The value of the discount will be specified in the disposal scheme and qualifying purchasers will be eligible for this provided they remain in continuous occupation for a period of five years, at which time they will receive the discount. These issues are currently the subject of ongoing review. Members should be aware that because of the pioneering nature of the initiative this particular aspect is being explored in detail before it is adopted as practice.
- d. To assist implementation of b and c above, the land is likely to be transferred to ri.
- e. ri to establish, on behalf of the Council, a 'development account' to administer the finances of the development and ring fence any profits for bringing forward other self build development sites after dispersal of all fees and land taxes etc.
- f. The Council will transfer the outstanding budget for this initiative, which is approximately is £200,000 to ri to enable site infrastructure works to be undertaken.
- g. ri will require to cover costs in relation to financing, staff time and other outgoings which will be charged against the development account.
- h. Regular updates will be provided to Members as the development progresses.

6.0 IMPLICATIONS

Finance

6.1 The proposals above outline the operation of a Revolving Fund where receipts from earlier developments help fund the next development. Under the proposals the Fund would be maintained by ri but always clearly identified within their accounts as being earmarked for Self Build projects.

Detailed financial information on the Kilmacolm Self Build proposal will be provided in future reports however the financial implication from the current report is the agreement to transfer £200,000 to ri to complete the development and manage the marketing and disposal of the sites.

Financial Implications:

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Repopulation	Self Build	2013/16	£250		£50,000 has been incurred to date and the balance of £200,000 will be paid to ri to complete and market the development

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

- 6.2 An equalities impact statement will be completed as a condition of the proposed transfer from the Council to RI because this is a new policy and the marketing and discount proposals are targeted on purchasers from beyond Inverclyde. RI will also require to obtain their own legal advice on the innovative strategy to address any risks of challenge and RI will be responsible for managing this process.

Human Resources

- 6.3 There are no direct HR implications arising from this report.

Equalities

- 6.4 An equality impact assessment is being carried out as part of the proposed transfer agreement.

Repopulation

- 6.5 The proposals will directly contribute to repopulating Inverclyde and forms an important initiative within the Repopulation Action Plan.

7.0 CONSULTATIONS

- 7.1 Riverside Inverclyde.

8.0 CONCLUSIONS

- 8.1 The proposals outlined above provide an opportunity to develop one of the Council's redundant assets to bring forward economic activity and generate jobs, whilst most importantly bring forward an opportunity to encourage new residents to Inverclyde. Members are therefore asked to support the proposals as outlined.

9.0 LIST OF BACKGROUND PAPERS

- 9.1 Hypostyle Feasibility Report May 2014.





