
Report To:	Environment and Regeneration Committee	Date:	3 March 2016
Report By:	Corporate Director Environment, Regeneration & Resources	Report No:	ENV/007/16/AF/FM
Contact Officer:	Aubrey Fawcett	Contact No:	01475 712762
Subject:	Kilmacolm Self Build – Project Update		

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. Furthermore, confirmation is sought from the Council to agree that in the unlikely event of the development costs exceeding the current allocation plus receipts from the sale of plots, the Council will cover any financial shortfall.

2.0 SUMMARY

- 2.1 Members decided at the Policy and Resources Committee on 25th March 2014 that the site at Leperstone Avenue in Kilmacolm would be developed for 8 self-build housing units, subject to the planning process and other legal requirements.
- 2.2 The Corporate Director Environment, Regeneration and Resources was authorised to:
- Engage Riverside Inverclyde to develop a scheme that focused on the objective of increasing Inverclyde's population; and
 - Enter into a development agreement to transfer the Leperstone Road site to ri with income generated retained and reused under the direction of the Council to bring forward other self-build sites for interested parties who live outwith and within the Inverclyde boundary.
- 2.3 It is anticipated that any receipts from the project should, after reimbursement of ri development costs be re-invested in further self build projects. In the event of receipts being less than ri's contribution, then any shortfall will require to be met by the Council. Should this be the case, a further report will be brought to this Committee and also to the Policy & Resources Committee which will determine the funding route.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee:
- a. Note progress to date and that further progress reports will be brought back for Members' information and consideration in due course;
 - b. Note that ri will appoint solicitors to draft a Development Agreement between ri and Inverclyde Council;
 - c. Grant assurances to ri that Inverclyde Council will cover any financial shortfall that ri may be exposed to in delivering this project for IC;
 - d. Remit to the Policy & Resources Committee to agree to the Council underwriting of the project and to note potential future funding requirement in the event of any shortfall; and
 - e. Note that ri will award the contract for the works following approval of 3.1d above by the Policy & Resources Committee.

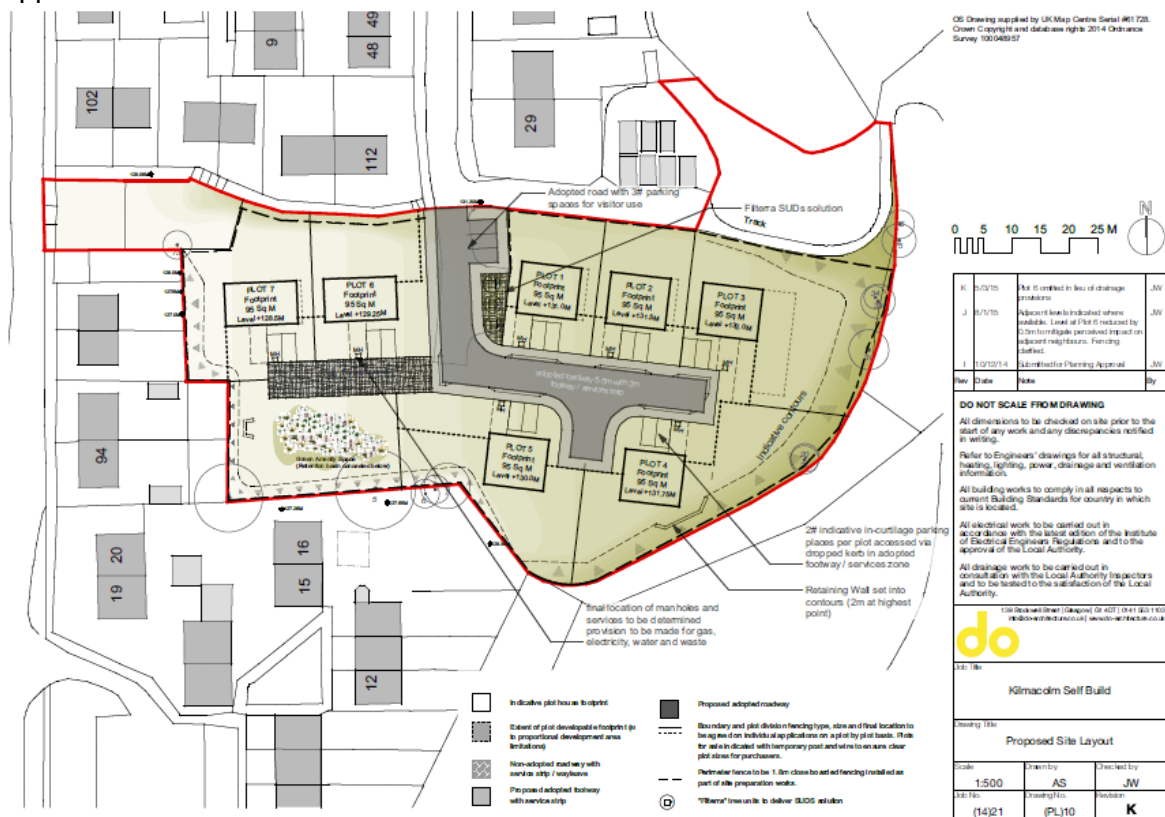
Aubrey Fawcett
Corporate Director, Environment, Regeneration and Resources

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 work streams 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. £50,000 of this budget has already been committed previously by others.

4.2 The initial outline masterplan indicated approximately 9 self-build plots which was in turn reduced to 8 in the Hypostyle Masterplan. Following ri's appointment as IC's Development Agent, a robust procurement exercise was undertaken and ri appointed a Design Team in August 2014. A detailed site investigation was undertaken and it became apparent that the masterplan for eight plots could not achieve the minimum standards required for planning permission and this resulted in the final design reducing to 7 plots. Planning permission was granted in October 2015.

4.3 Approved Site Plan



4.4 Since October 2015, the Design Team has been working towards discharging the conditions of the planning consent and tendering the job on the Public Contract Scotland Portal.

4.5 The contract involves site clearance, including removal of existing site vegetation and topsoil, repair of the existing culvert on Finlaystone Road, grubbing up and removal of existing defective concrete culvert, modifying existing site levels, construction of new tarmac roads and footpaths, a new block paviour shared vehicle/pedestrian surface, new concrete drainage culvert, new surface and foul water sewer, attenuation basin, retaining walls, diversion of existing live site services, new site services adopted and non-adopted street lighting.

5.0 TOTAL DEVELOPMENT COSTS

5.1 Tenders have now been received and the total projected development costs are estimated to be in the region of £800,000. Inverclyde Council is contributing £200,000 from the Repopulation Group Budget towards the site development costs, with Riverside Inverclyde financing the balance of the development costs.

- 5.2 Members should be aware that the total projected income is estimated to be in the region of £875,000. The valuations of the individual plots will be assessed further by the selling agents nearer the time of sale.
- 5.3 If ri achieves the total projected income of £875,000, the balance following ri's repayment in full, will stand at £275,000 which will be used to facilitate the development of other self-build projects within Inverclyde.
- 5.4 In the unlikely event that the sales of all of the plots do not achieve £600,000, the sum required for this project to break even, ri seeks assurances that Inverclyde Council will cover any shortfall that ri may be exposed to.
- 5.5 A Development Agreement will be drafted between ri and the Council to allow ri to negotiate missives with proposed purchasers. It is intended that ri's missive will include a nomination clause that states that the purchaser will receive title from the Council and not ri.

6.0 IMPLICATIONS

6.1 Financial Implications

The Council has committed £250,000 to this project with ri committing the remaining funds. On completion and sale of the plots any surplus after repayment of ri funding will be used to facilitate further self-build projects. Should the sales receipts fail to achieve £600,000 the Council will be required to reimburse ri for any shortfall. This funding would be identified by the Policy & Resources Committee at that time.

One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
Kilmacolm Self Build	Development Costs - IC	2014/16	£50,000		ri Contribution £275,000 remains for further self-build fund
		2016/17	£200,000		
	2016/17	£600,000			
	2016/19	£(875,000)			
	Sale of Plots				

Annually Recurring Costs / Savings

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
n/a					

Legal

- 6.2 The Head of Legal and Property Services has been consulted on this report.

Human Resources

6.3 There are no human resource issues arising from this report.

Equalities

6.4 There are no equalities issues arising from this report.

YES (see attached appendix)

NO This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required)

Repopulation

6.5 The regeneration works undertaken within Kilmacolm should contribute to retaining and increasing the population within the area.

7.0 CONSULTATIONS

7.1 The Head of Regeneration and Planning has been consulted on this report.

7.2 The Chief Financial Officer has been consulted on this report.

7.3 The Head of Environmental and Commercial Services has been consulted on this report.

7.4 The Head of Legal and Property Services has been consulted on this report.