

EAST AYRSHIRE COUNCIL

CABINET MEETING – 4 JUNE 2008

NEW CUMNOCK REGENERATION HOUSING INITIATIVE AREA: CAIRNHILL

Report by Executive Director of Educational and Social Services Executive Director of Neighbourhood Services and Executive Head of Finance and Asset Management

1. PURPOSE OF REPORT

1.1 To seek Cabinet approval to;

- (i) declare surplus to requirements those properties at 61–87 Greenbraes Drive, New Cumnock and associated ground extending in total to 0.284 hectares (0.701) acres or thereby all as shown hatched on Plan 1 attached together with the properties at 45-59 Greenbraes Drive ,New Cumnock ; and
- (ii) market the site extending to 10.391 hectares (25.657 acres) all as shown hatched black on Plan 2 attached hereto
- (iii) carry out the associated re-acquisitions and demolitions as detailed within this report.

2. BACKGROUND

2.1 At its meeting on 25 January 2006, the former Housing Committee declared surplus to requirement the site at Cairnhill forming part of the subjects of this report together with the properties identified therein as being in Council ownership for marketing by the then Executive Director of Development and Property Services as appropriate subject to the re-housing of the then existing tenants.

2.2 At its meeting on 5th December 2007 Cabinet authorised the Depute Chief Executive /Executive Director of Corporate Support to work with our Community Planning Partners to progress the development of a mechanism for the preparation and implementation of a Whole Town Strategy for New Cumnock on a pilot basis.

2.3 At its meeting on 19th March 2008 Cabinet authorised the closure of Cairnhill Primary School with effect from the end of the school session June 2008 or as soon as possible thereafter and that the pupils transfer to a newly refurbished and merged school in the building of the current Castle Primary School in August 2008 or as soon as possible thereafter. Cabinet further agreed that the Executive Director of Educational and Social Services declare the building and land at Cairnhill Primary surplus to requirements in August 2008 or as soon as possible thereafter and to remit the matter to the Executive Head of Finance and Asset Management for disposal

3. CURRENT POSITION

3.1 Following the authority granted by the former Housing Committee on 25th January 2006, in respect of the initial housing site, it was noted that the terms of the plan attached to the report on which the surplus authority was based were incorrect in

that the properties at 17-43 Greenbraes Drive identified therein had been identified in error and that the properties at 61-87 Greenbraes Drive had been omitted there from in error, all as shown cross hatched and hatched respectively on Plan 2 attached hereto. In addition the properties at 45-59 Greenbraes Drive were not identified within the body of the original report albeit that they were included in the plan and accordingly it is necessary for the avoidance of doubt to regularise the surplus position relative to those properties.

- 3.2** There are currently 10 tenanted houses within the wider combined Housing Site. In addition, there are 5 owner occupied properties within the proposed wider combined Housing site
- 3.3** It was envisaged at the time of submission of the report to the Housing Committee on 25th January 2006 that subject to the re-housing of the then existing tenants that the properties then identified as surplus to requirements might be capable of being marketed as a development opportunity either in isolation or as part of a joint marketing exercise without the requirement for demolition. There is now no longer a perceived demand for such marketing and it is therefore considered by the Executive Head of Finance and Asset Management to be best value to the Council, given the continued deterioration in the condition of the properties, for the owner occupied properties to be reacquired, and, subject to the re-housing of the remaining tenants, for the properties to be demolished and the site extending to 8.304 hectares (20.5 acres) marketed as a development opportunity in accordance with the Council's policies and procedures for demolition and the disposal of surplus property
- 3.4** In order to maximise the opportunities for a successful outcome and to progress the development of a mechanism for the preparation and implementation of a Whole Town Strategy for New Cumnock, it is proposed to further incorporate within the site to be marketed for development at this stage the site at Cairnhill Primary School extends in total to 2.087 hectares (5.157) acres or thereby as shown hatched on Plan 1 attached hereto. giving a total site area of 10.391 hectares (25.657 acres) all as shown hatched black on Plan 3 attached hereto.
- 3.5** It is further proposed that the "Competitive Dialogue" procurement route be utilised in order to seek variable proposals for the development of the site linked to the preparation and implementation of the proposed Whole Town Strategy for New Cumnock. The proposed regeneration strategy would aim at creating a sustainable community within New Cumnock and would examine the opportunities to consolidate the Coupla housing estate (within which the Cairnhill area sits) and revitalise New Cumnock town centre. The use of the "Competitive Dialogue" Procurement route would allow expressions of interest to be sought at this stage with more detailed proposals thereafter being finalised taking into account the school closure and demolition timescale and the development of the Whole Town Strategy.
- 3.6** With regard to the matter of timescales, it should be noted that as per the Better Schools: Better Learning update report considered and agreed by Cabinet on 21st May 2008, the Cairnhill PS site is unlikely to become available before early 2011, allowing for demolition, and it is proposed to embark on the Competitive Dialogue procurement process on this basis, with the option to decouple the school site if the timescale should prove unduly problematic or restrictive, as reflected in the initial market responses. In that event, the Cairnhill PS site would simply be remarketed

separately nearer to its anticipated availability for disposal. However, the initial proposed joint marketing approach is considered appropriate in order to allow for the broadest and most flexible range of possible development proposals within the Cairnhill area, even if these might require to be implemented in phases in order to accommodate the current timescales.

- 3.7** Relevant consultations have been undertaken and comments sought from the local elected members in connection with the proposals. The elected members are supportive of the proposals

4. FINANCIAL IMPLICATIONS

- 4.1** The following estimated costs require to be taken into account in respect of the HRA and the General Services Fund.

HRA COST IMPLICATIONS

- 4.1.1** Home Loss and Disturbance payments to the remaining tenants and owner occupiers, totalling an estimated sum of £17,500 in respect of the tenanted properties, and £50,000 in respect of the owner occupied properties.
- 4.1.2** Demolition costs, estimated in the sum of £282,000.
- 4.1.3** Reinstatement costs including landscaping and drainage for land marketing purposes estimated in the sum of £348,000.
- 4.1.4** Buy back of five owners' houses, estimated at £275,000

GENERAL SERVICES COST IMPLICATIONS

- 4.1.5** Demolition and reinstatement costs are estimated as being in the order of £225,000.
- 4.2** The total estimated housing cost of £956,000 would have to be offset against the receipt value for the sale of the housing site, with the total estimated general services cost of £225,000 being similarly offset against the receipt value for the school site. These figures are indicative only and do not take account of any extra ordinary development costs which, being site specific, cannot be estimated at this stage.
- 4.3** The net sums achieved through the sale of the combined site at Cairnhill, New Cumnock would be a receipt to the Housing Revenue Account (HRA) and the General Services Account for their respective interests

5. LEGAL IMPLICATIONS

- 5.1** All existing tenancy agreements will require to be terminated either through service of a notice or, if this proves unsuccessful, through court proceedings.
- 5.2** Both Council tenants and owner occupiers are entitled to Home Loss and Disturbance payments in terms of sections 27-29 of the Land Compensation (Scotland) Act 1973 as amended.
- 5.3** The Council has authority in the event of failure to negotiate terms and conditions for re-acquisition to acquire those properties outwith Council ownership scheduled

for demolition by Compulsory Powers in terms of section 189 of the Town and Country Planning (Scotland) Act 1997.

5.4 The Head of Legal Procurement and Regulatory Services shall ensure compliance with the European Procurement Regulations in marketing the site in terms of the Competitive Dialogue procurement process.

5.5 As part of the site is held on the Housing Revenue Account the consent of the Scottish Government to the disposal of that part will be required in terms of section 12 (7) of the Housing (Scotland) Act 1987

6. POLICY IMPLICATIONS

6.1 The demolition proposals and subsequent reinstatement and disposal proposals are in accordance with the requirements of the East Ayrshire Community Plan, the adopted and finalised draft Local Plans and the Local Housing Strategy.

6.2 It is Council policy to advertise property for sale on the open market unless there are special reasons to do otherwise. The utilisation of the Competitive Dialogue procurement process complies with this policy

7. ASSET MANAGEMENT IMPLICATIONS

7.1 The acquisition of the 5 sold properties and their demolition, along with the other properties identified in Appendix One to the report together with the school buildings will allow the Council to maximise the marketing potential of the site

8. CONCLUSIONS

8.1 The proposals outlined in this report are consistent with the aims and objectives set out in the Council's Community Plan, adopted and draft finalised Local Plans and Local Housing Strategy to regenerate disadvantaged areas and develop sustainable communities.

9. RECOMMENDATIONS

9.1 The Cabinet is recommended to:

- (i) Declare surplus to requirements the properties and associated lands at 61-87 Greenbraes Drive, New Cumnock extending in total to 0.284 hectares (0.701 acres) all as shown hatched in black on Plan 2 attached hereto together with the properties at 45-59 Greenbraes Drive ,New Cumnock ;
- (ii) Authorise the termination of the leases for the remaining tenanted properties within the housing site
- (iii) Approve the proposed demolitions of the properties identified in Appendix One together with subject to the appropriate surplus declaration the buildings at Cairnhill Primary School;
- (iv) Authorise the re-acquisition of those properties within the housing site previously sold as further identified in Appendix One;

- (v) Authorise the instruction of the District Valuer to enter into negotiations on preliminary terms and conditions for the re-acquisition of the five sold properties, and authorise the use of Compulsory Purchase powers in terms of the Town and Country Planning (Scotland) Act 1997 Section 189 in the event of negotiated terms and conditions not being agreed in respect of the reacquisition of the sold properties;
- (vi) Authorise the use of the “Competitive Dialogue“ Procurement process to market the cleared site extending in total to 10.391 hectares (25.657 acres) or thereby all as shown hatched black on Plan 3 attached hereto;
- (vii) Note that a further report on progress will be brought to a future Cabinet; and
- (viii) Otherwise note the contents of this report.

William Stafford
Executive Director of
Neighbourhood

Graeme Short
Executive Director of
Educational and Social Services Services

Alex McPhee
Executive Head of Finance and Asset Management

WS/CMCA/AG/IET

22 May 2008

LIST OF BACKGROUND PAPERS

- 1. Housing Committee Paper – 25th January 2006**
- 2. Cabinet Papers of 7th December 2007 and 19th March 2008**

Any person wishing to inspect the background papers listed above should contact Chris McAleavey, Head of Housing 01563 574876,

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APPENDIX ONE

PROPERTIES PROPOSED FOR DEMOLITION

Cairnhill, New Cumnock

Farden Avenue

2, 4, 6, 8, 10, 9, 11, 12, 14, 16, 21, 23, 25, 27, 33, 35, 42, 44, 46, 48, 50, 52, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76,

3 owner occupied properties at 25, 33 and 74

Greenhill Avenue

6 and 8

Greenbraes Drive

1, 3, 5, 7, 10, 12, 14, 16, 45, 47, 49, 51, 53, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, 75, 77, 79, 81, 83, 85, 87.

2 owner occupied properties at 1 & 53.

CABINET REPORT PLAN



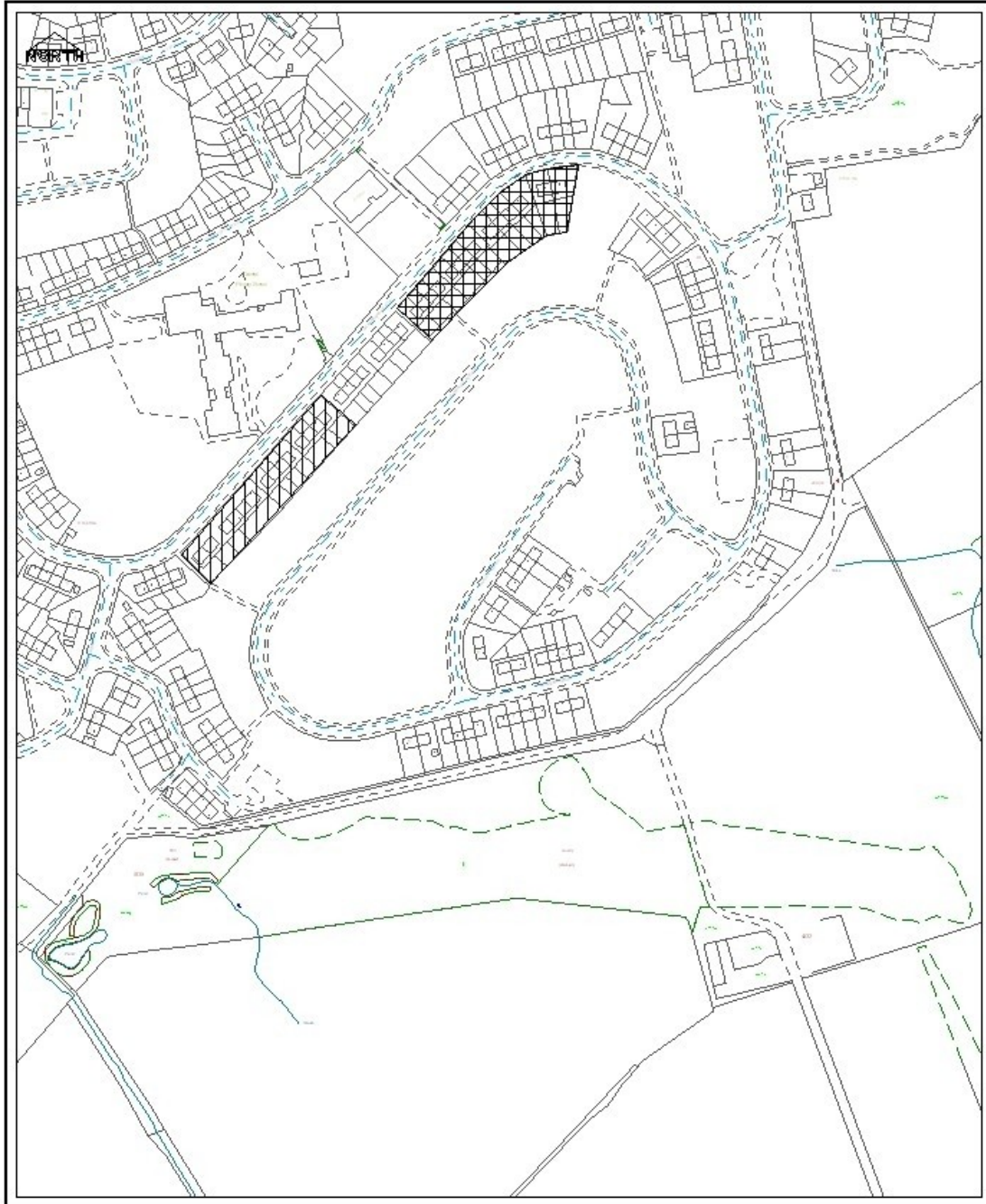
East Ayrshire
COUNCIL

Title: HOUSES ADDED TO DEMOLITION LIST SHOWN HATCHED
HOUSES REMOVED FROM DEMOLITION LIST SHOWN CROSSHATCHED
HATCHED AREA = 0.284 HECTARES (0.701 ACRES)
CROSSHATCHED AREA = 0.356 HECTARES (0.878 ACRES)

DATE: 14/05/2008

MAP REFERENCE: NS6212NW

SCALE: 1:3000



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CABINET REPORT PLAN

Title: CAIRNHILL PRIMARY SCHOOL + SURPLUS GROUND AT CAIRNHILL, NEW CUMNOCK
2.087 HECTARES (5.157 ACRES) + 8.304 HECTARES (20.5 ACRES)
TOTAL AREA = 10.391 HECTARES (25.657 ACRES)

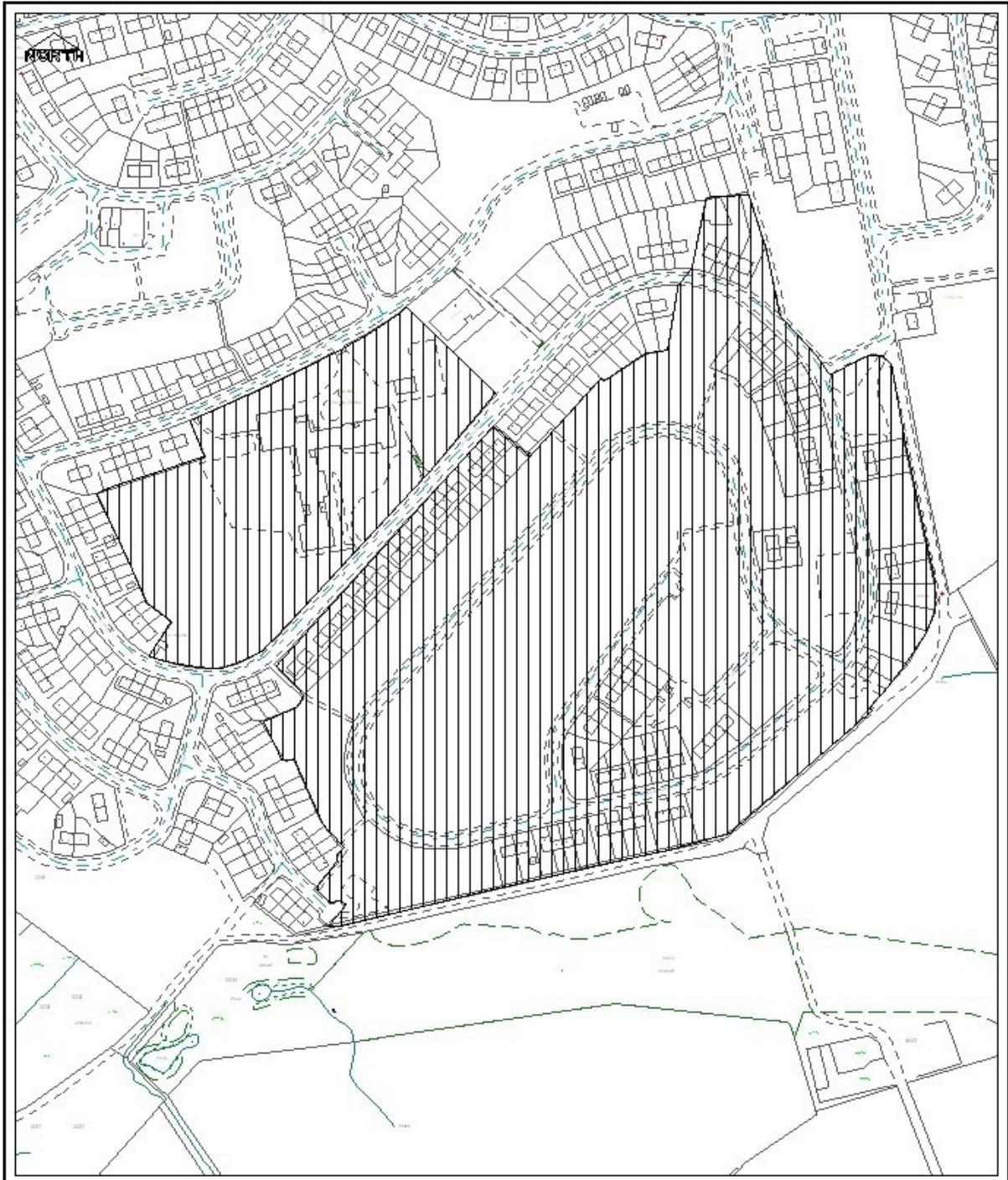


East Ayrshire
COUNCIL

DATE: 19/05/2008

MAP REFERENCE: NS6212NW

SCALE: 1:3000



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