



Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods, Regeneration and Sustainability

Item 5

28th November 2024

Contact: George McMillan Ext: 76151

APPROVAL OF THE OFF-MARKET DISPOSAL OF LAND AT KENNISHOLM AVENUE TO GLEN OAKS HOUSING ASSOCIATION LIMITED.

Purpose of Report:

To seek Committee approval for the off-market disposal of land at Kennisholm Avenue to Glen Oaks Housing Association Limited.

Recommendations:

That Committee:

1. notes the content of this report;
2. approves the off-market disposal of land to Glen Oaks Housing Association Limited, subject to the terms and conditions outlined in this report; and
3. authorises the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration to progress the disposal.

Ward No(s): 2 – Newlands/Auldburn Citywide:

Local member(s) advised: Yes ☐ No ☒ consulted: Yes ☐ No ☒

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Report to: Contracts and Property Committee

From: Managing Director of City Property (Glasgow) LLP

Date: 28 November 2024

Subject: Approval of the off-market disposal of land at Kennisholm Avenue to Glen Oaks Housing Association Limited

1. Description

- 1.1 The subjects are located approximately 5 miles south west from Glasgow City Centre.
- 1.2 The subjects comprises four plots of vacant, grassed land surrounding Kennisholm Avenue, Kennishead Place, Kennishead Path and Hopeman Drive as shown hatched and edged black on the enclosed plan.
- 1.3 The four plots in total extend to some 1.46 hectares (3.61 acres) or thereby.

2. Planning

- 2.1 The [Glasgow City Development Plan](#) was adopted on 29 March 2017. The new local development plan replaces Glasgow City Plan 2 (2009) and sets out the Council's land use strategy providing the basis for assessing planning applications. The City Development Plan does not identify land use zones to direct particular types of development. Instead, overarching policies CPD1 Placemaking and CDP 2 Sustainable Spatial Strategy encourage development to be informed by a placed base approach.

3. Background

- 3.1 City Property (Glasgow) LLP was instructed by Glasgow City Council's Neighborhoods, Regeneration and Sustainability (NRS) – Property & Consultancy Services to negotiate the terms of the nominated disposal to Glen Oaks Housing Association Limited in October 2020.
- 3.2 The subjects were declared surplus in June 2021 following the procedural non-operational process with no notes of interest being received.

- 3.3 The Contracts and Property Committee granted authority to enter into negotiations with Glen Oaks Housing Association Limited at its meeting of 5 August 2021. [Link to Committee Report](#).
- 3.4 Glen Oaks Housing Association Limited propose to develop the subjects, as shown hatched and edged black on the enclosed plan, to accommodate 25 units. This forms part of a larger residential development of 47 units. With the additional development site owned by Wheatley Housing Group.
- 3.5 The planning application was submitted on 14 March 2024 for the erection of a residential development of 47 units. [Link to Planning Application](#).
- 3.6 The City Administration Committee at its meeting on 10 October 2019 approved a policy for off-market disposals ([see link Report Details](#)). It is considered that the proposed disposal is compliant with 3.1.5 of the policy “disposals to registered social landlords in support of the council’s housing objectives”.

4. Current Position

- 4.1 This report seeks authority to progress with the proposed disposal based on the terms and conditions which have been agreed with Glen Oaks Housing Association Limited highlighted at point 6 below.
- 4.2 Funding for the programme will be provided via the Affordable Housing Supply Programme.
- 4.3 The subjects are not currently included in the Glasgow City Council's log of opted to tax property.
- 4.4 The subjects do not form part of the Council's Common Good.

5. Purchaser

- 5.1 Glen Oaks Housing Association Limited (Registered Scottish Charity: SC034301)

6. Terms and Conditions

- 6.1 The purchase price shall be ONE HUNDRED AND SIXTY ONE THOUSAND, ONE HUNDRED AND FIFTY POUNDS STERLING (£161,150), for the subject shown hatched and edged black on the attached plan.
- 6.2 The Date of Entry shall be agreed between the parties.
- 6.3 The subject shall be used solely for accommodating a residential development of 25 units, in line with the existing planning application (No 24/00727/FUL) for a larger development of 47 units and for no other use whatsoever without the prior written consent from the Seller which shall be granted at their absolute discretion
- 6.4 The net developable area as outlined in the location plan in planning application (No 24/00727/FUL) has a site area of approximately 1.81 hectares. The subject

site that is within the net developable area is approximately 0.9764 hectares, which equates to approximately 54% of the net developable area. The number of units apportioned to the subject site has been calculated as 54% of the 47 units to be developed on the net developable area.

- 6.5 The purchaser shall satisfy itself with regard to the seller's title including any tree preservation orders.
- 6.6 The purchaser shall be responsible for the seller's reasonable legal expenses in connection with this transaction, together with City Property's (Glasgow) LLP's fee of £1,500, plus Value Added Tax (VAT).
- 6.7 The land has not been opted to tax.
- 6.8 In the event that the purchaser disposes the subjects prior to the proposed development commencing, then the purchaser shall pay to the seller 100% of all sales proceeds in excess of the agreed net price, subject to the deduction of any costs incurred by the purchaser during the sales process. Any sales overage will be payable by the purchaser to the seller within 2 months of the date of onward sale of the subjects failing which the purchaser will pay on demand to the seller any interest accrued from the date the amount became due until the date of payment.
- 6.9 It is agreed that the purchaser shall pay to the seller 100% of any uplift in the market value of the subjects less any costs incurred in the event that planning consent for a more valuable land use is gained.
- 6.10 In the event that planning consent is obtained for a development of more than 47 units, then any additional units will be apportioned to the subject site on a pro-rata as described in *clause 6.4*. The purchaser shall pay to the seller a sum of £12,500 gross, for each apportioned unit, subject always, to the deduction of any additional abnormal costs incurred as a direct result of an increase in unit numbers. For the avoidance of doubt, additional abnormal costs will be limited to £6,054 per each additional unit and will be subject to verification.
- 6.11 The purchaser must provide the seller with an itemised breakdown of all additional abnormal costs within three months of planning consent being granted. Payment of an 'additional balance' arrived at by applying the following formula shall be made no later than six months from the date of any revised planning consent.

$$AB = (AU * £12,500) - (AAC)$$

Where:

AB = Additional Balance

AU = Additional Units in excess of 47 units, which shall be apportioned on a pro-rata basis as described in clause 6.4.

AAC = Additional Abnormal Costs

- 6.12 The purchaser shall notify the seller within 14 days of the granting of planning permission for additional units.
- 6.13 The overage conditions contained herein shall be secured by way of economic development burdens enforceable by the seller as local authority burdening the title of the whole subjects from the date of entry.
- 6.14 The purchaser will not be entitled to assign in whole or in part its rights under the contract of sale without the seller's consent which shall be granted at its absolute discretion.
- 6.15 All third-party determination in the contract of sale shall be by an independent expert and not by way of arbitration, who will be professionally qualified for at least 10 years in the field in which the dispute arises.
- 6.16 In the event that the purchaser instructs ground investigation works, site surveys, habitat surveys, EIA surveys or any other such survey or report, prior to the date of entry then the costs of such works/surveys shall be borne by the purchaser. For the avoidance of doubt the seller shall not reimburse the purchaser for any such costs whatsoever whether the sale completes or not.
- 6.17 The Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration shall be authorised to conclude all other matters pertaining to the disposal of the subjects and to enter into the necessary legal agreements on terms which are in the best interest of the Council.

7. Policy and Resource Implications

Resource Implications:

Financial: The approval of the off-market disposal will generate a capital receipt for Glasgow City Council.

Legal: The legal team will need to conclude this transaction.

Personnel: No direct personnel issue.

Procurement: No procurement implications.

Council Strategic Plan: Grand Challenge 1: Reduce poverty and inequality in our communities.

Mission 3 – Improve the health and wellbeing of our local communities.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? No specific equality related outcomes.

What are the potential equality impacts as a result of this report? No equality impacts identified.

Please highlight if the policy/proposal will help address socio-economic disadvantage. The proposal will provide housing.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: Whilst not supporting specific Climate Plan actions the proposed development will be subject to statutory guidelines.

What are the potential climate impacts as a result of this proposal? There are no potential climate impacts for this proposal at this time.

Will the proposal contribute to Glasgow's net zero carbon target? It is considered that the proposal will not have either a positive or negative contribution to the City's net zero carbon target.

Privacy and Data Protection Impacts: No privacy and data protection impacts identified.

Common Good It is considered that the subjects do not form part of the Council's Common Good.

The subjects were acquired by the council's predecessors using statutory powers. The subjects are not on the list of common good assets. There are no conditions in the title that would suggest that the subjects were being acquired to be held as part of the common good. There are no other relevant factors to suggest that the subjects would form part of the common good of the council.

8. Recommendations

That Committee:

- 8.1 notes the contents of this report;
- 8.2 approves the off-market disposal of the subject to Glen Oaks Housing Association Limited, subject to terms and conditions outlined in this report; and
- 8.3 authorises the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration to progress the disposal.