

REPORT TO: HOUSING COMMITTEE – 11 NOVEMBER 2013
REPORT ON: WHITFIELD – SUMMERFIELD AVENUE PHASE 2 DEVELOPMENT
REPORT BY: CHIEF EXECUTIVE
REPORT NO: 463 – 2013

1. PURPOSE OF REPORT

To seek authority to enter into a Sale Agreement with HOME Scotland and Merchant Homes to develop the site at Summerfield Avenue Phase 2, Dundee.

2. RECOMMENDATIONS

It is recommended the Committee;

- 2.1 remits the Head of Democratic and Legal Services to negotiate a Sale Agreement and thereafter obtain all necessary consents.
- 2.2 notes that following completion of the Sale Agreement a report seeking approval for the sale of the site on the plan attached at Appendix A to HOME Scotland and Merchant Homes will be submitted to City Development Committee. The sale will be subject to valuation by the District Valuer and any other conditions which it may be appropriate for the Council to impose.

3. FINANCIAL IMPLICATIONS

The capital receipts from sale of the development sites would be used to offset capital expenditure on meeting the Scottish Housing Quality Standard (SHQS) within the approved HRA Capital Plan.

4. MAIN TEXT

4.1 Background

The following objectives are laid out within the Whitfield Planning Framework:

- to make Whitfield a popular place to live;
- to make it an area with a positive identity;
- to make it an area with a mix of tenures;
- to make it an area where a substantial amount of affordable housing for sale can be promoted.

Well designed residential development is a key component to achieving the successful regeneration of Whitfield. A mix of house type and size will help to build a sustainable community allowing residents the choice to move within Whitfield and also help avoid the transient nature of single property type estates.

Considerable progress is being made in the regeneration of Whitfield with the new Primary School now open and the Crescent about to be completed in the near future. The Council wants to ensure that residential sites within Whitfield are developed for a range of tenures to increase the population and ensure that there is demand for the new services and shops now being put in place. By working in partnership with Registered Social Landlords (RSLs) under the affordable housing supply programme it has been possible to build new homes for social rent, however due to economic conditions it has proved difficult to sell land to developers for housing for sale. By land continuing to lie vacant this impairs the regeneration and does not increase confidence in new development. More innovative solutions to encouraging development are required.

The Strategic Housing Investment Plan 2013-2018 (Committee Report 317-2013) approved by Housing Committee on the 19 August 2013 has prioritised a development of 36 houses for social rent by HOME under the Affordable Housing Supply Programme up to 2015. This site was notionally referred to as Whitfield Loan. The site is adjacent to HOME's new build properties at Summerfield Avenue and will be referred to as Summerfield Avenue Phase 2.

4.2 Increasing Housing Supply and Diversifying Tenure in Whitfield

HOME Scotland has put forward an initiative to the Council for them to work in partnership with a developer, Merchant Homes, to develop the 36 units of social rented housing and up to 90 units of housing for low cost home ownership. Merchant Homes is a developer based in Glasgow specialising in the provision of housing for low cost home ownership and affordable housing. They are currently providing a development of 49 units in partnership with Glasgow City Council at Willowford Road, Nitshill in Glasgow.

The approach would derive many benefits both to the Council and to HOME. It would maximise the potential development for the site at Summerfield Avenue Phase 2 by increasing the provision of affordable housing as well as providing high quality housing for low cost home ownership. This would provide economies of scale to HOME by ensuring maximum benefit from procurement, lowering the cost of development and minimising the grant requirement from the affordable housing supply programme. It would stimulate the market in Whitfield for low cost home ownership and meet the needs of those on lower incomes wanting to buy a home and improve their housing circumstances. The Scottish Government announced the Help to Buy Scheme in September 2013. This scheme provides a shared equity scheme to provide financial support to make buying a home easier, by providing up to 20% of the purchase price. With initiatives such as this it is becoming more attractive for first time buyers to gain a hold on the property ladder. It would ensure tenure diversification and sustainability, increasing the population of Whitfield and creating demand for new local services. It is envisaged that such development would have a multiplier effect kick starting new opportunities for further development by the private sector thus realising the overall objectives of the regeneration.

4.3 Sale Agreement

It is proposed that a Sale Agreement be drawn up which would regulate the relationships between the Council, HOME and Merchant Homes for the development of the site and the provision of the housing. Sale of the site would be subject to valuation by the District Valuer and any conditions which the Council may wish to impose to ensure that best value is derived for the Council.

5. POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6. CONSULTATIONS

The Director of Corporate Services and Head of Democratic and Legal Services and all other Chief Officers have been consulted on the preparation of this report. No concerns were expressed.

7. BACKGROUND PAPERS

None.

CHIEF EXECUTIVE

DATE: 6 NOVEMBER 2013

