



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	Disposal of land at Colin Glen to Clanmil Housing Association
Date:	22 March 2013
Reporting Officer:	Gerry Millar, Director of Property & Projects, Ext. 6217
Contact Officer:	Cathy Reynolds, Estates Manager, Ext: 3493

1	Relevant Background Information
1.1	At its meeting of 14 th December 2012 the Strategic Policy & Resources Committee were made aware of difficult and protracted negotiations that are required to bring certain disposals to housing associations to a conclusion and were also advised that a report would be brought back in respect of a further Council site (Colin Glen site) where there continued to be very protracted negotiations between the Council and a housing association.
1.2	Originally developed as a traveller's facility at Colin Glen by the Council the site was closed in September 2001 and following a decision of the Client Services (Community and Leisure Services) Sub-Committee at its meeting on 30 th June 2003 the site was appropriated to the Development Committee. The Amenity Units were subsequently demolished following a further Committee decision in October 2003.
1.3	At its meeting of 20 th April 2005 the Development Committee agreed to the proposed disposal of former traveller lands, including land at Colin Glen to the Northern Ireland Housing Executive (NIHE) for development of social housing subject to agreement on valuation. Committee were also asked to note that the NIHE current methodology for site acquisition involved appointing housing associations. Subsequently NIHE nominated Clanmil Housing Association for the Colin Glen lands.
1.4	The Strategic Policy & Resources Committee, at its meeting of 21 st September 2007, agreed in principle to disposal of the land at Colin Glen to Clanmil Housing Association subject to agreement on terms (including a price approved by LPS) and a further report being brought to Committee for approval.

1.5	Following protracted negotiations between Clanmil and the Council, LPS have now assessed the value of the site at £1,100,000, based on Clanmil's proposed development of 67 social housing units (Appendix 1). Clanmil have accepted this valuation assessment as the basis for transferring this site from the Council.
-----	--

2	Key Issues
2.1	Clanmil secured an outline planning consent in respect of the Colin Glen site for a housing development to include 67 residential units in February 2012 upon which Land & Property Services (LPS) based their assessment of value at £1,100,000. Potential for this scale of housing development was subsequently confirmed in a planning assessment for the site commissioned by the Council. Clanmil also had their own valuation assessment undertaken which concluded that in the current market the site value lay in a speculative bid of only £50,000. This report also indicated that the site could deliver a reduced housing density of only 44 units. Given the divergence in these respective assessments there was little prospect of achieving a negotiated agreement with Clanmil.
2.2	Clanmil indicated that in order to comply with DSD funding requirements and from their own governance point of view that they required assurances around how the LPS valuation of £1,100,000 had been arrived at and confirmation that it took account of site development "abnormals" they had identified in delivery of a housing development on this site.
2.3	Having expressed reservations regarding the basis of the LPS assessment and how the valuation had been arrived at there followed numerous exchanges of correspondence between Council and Clanmil in which Clanmil were provided with copies of both the LPS assessment and Council's planning assessment in an attempt to provide Clanmil with the guarantees they sought.
2.4	Negotiations with Clanmil were only finally concluded following direct discussions with DSD who had been asked by Clanmil to confirm that the valuation provided by LPS had been undertaken in accordance with the RICS valuation standards: in their response to Clanmil, confirming the basis of the LPS valuation, the DSD had also urged them to reach a decision as a priority.
2.5	Clanmil submitted a reserved matters application for full planning permission based on the provisions outline approval for 67 units in December 2012 which replicates the initial scheme design in terms of layout and a decision from Planning Service is currently awaited.
2.6	Following Clanmil's Board approval to proceed with this purchase at the figure of £1,100,000 Clanmil have indicated their requirement to be in contract as soon as possible. In order to facilitate as early completion as possible Council have permitted Clanmil to undertake a number of on-site investigations and have progressed necessary title searches.
2.7	Having submitted for full planning approval, on the same basis of an existing outline consent, the delivery of these social housing units at Council's Colin Glen site should be achieved within the shortest possible timeframe

3	Resource Implications
3.1	<p><u>Financial</u></p> <p>The sale of these lands will result in a capital return to the Council of £1,100, 000 which could be directed to the Councils Investment Programme or other priorities.</p>
3.2	<p><u>Human Resources</u></p> <p>Staff Resource in Estates & Legal Services to progress.</p>
3.3	<p><u>Asset and Other Implications</u></p> <p>The disposal of this vacant site and development as a social housing scheme should lead to improved social, economic and regeneration benefits for the area, as well as providing a capital return for the Council.</p>

4	Equality and Good Relations Implications
4.1	There are no equality implications to this proposal

5	Recommendations
5.1	It is recommended that the Committee approves the disposal of these lands to Clanmil Housing Association for £1,100,000 subject to detailed terms and a contract to purchase being agreed with the Estates Management Unit and Legal Services. Should Clanmil seek to condition this agreement, over and above the usual contract terms, it is recommended that the Committee withdraws the offer to sell this land to Clanmil Housing Association.

6	Decision Tracking
Director of Property & Projects to ensure that this disposal is completed within 3 months of the Council's decision to transfer these lands to Clanmil Housing Association.	

7	Key to Abbreviations
<p>NIHE – Northern Ireland Housing Executive DSD – Department for Social Development LPS – Land & Property Services RICS – Royal Institution of Chartered Surveyors</p>	

8	Documents Attached
Appendix 1 – Clanmil's proposed development for 67 residential units	