

## Hyvots Regeneration – Hyvots 7 Land Transaction

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### Finance and Resources Committee

31 July 2012

#### 1 Purpose of report

- 1.1 This report sets out the details of a change to proposals to dispose of an area of Housing Revenue Account (HRA) land known as Hyvots 7 (the site) agreed at Finance and Resources Committee on 11 November 2008. The site forms part of the wider regeneration of the Moredun and Hyvots area by Dunedin Canmore Housing Association (DCHA).
- 1.2 It also seeks delegated authority to the Director of Services for Communities to negotiate and conclude the sale of this site, including authority to instruct the Head of Legal and Administrative Services to settle the conveyancing formalities associated with the sale.

#### 2 Summary

- 2.1 DCHA was appointed in October 2003 as the preferred landlord for the Moredun and Hyvots regeneration programme. The programme is nearing completion, with the construction of the final phase of affordable homes, known as Hyvots 6, now underway.
- 2.2 Within the overall masterplan, in addition to the phases identified for affordable homes, there is a site known as area 7. This site is identified within the current masterplan for commercial mixed use (office and retail) development. The location of the site is shown as Appendix 1.
- 2.3 Authority was granted by Finance and Resources Committee on 11 November 2008 to transfer areas 4, 5, 6 and 7 to DCHA at nil monetary consideration as part of the wider regeneration programme for Moredun Hyvots, subject to the approval of the Scottish Government to dispose of land at less than market value.
- 2.4 DCHA have subsequently submitted an alternative proposal which includes the provision of two to three ground floor retail units and between 12 to 18 mid market rent (MMR) homes on the upper floors. This will provide additional and much needed unsubsidised affordable housing.

### **3 Main report**

- 3.1 DCHA has recently been approached by the Cruden Group (Crudens) with a view to establishing a tri-partite arrangement with the Council to develop area 7.
- 3.2 DCHA's proposals include the provision of two or three retail units on the ground floor and between 12 and 18 MMR homes on the upper floors. The principle of housing above shops has been discussed with Planning and is acceptable, subject to appropriate design, parking and amenity provision.
- 3.3 DCHA will acquire the site from the Council based on its retail development value only. DCHA will then enter into an agreement with Crudens whereby ownership of the site will pass to Crudens. DCHA will pay the Council a sum equivalent to the site's retail development value upon receiving that amount from Crudens.
- 3.4 The site will be valued for the Council and will also be valued by the District Valuer on behalf of DCHA. Thereafter, agreement will be reached on the price to be paid for the retail element.
- 3.5 After an agreed period of between 5 and 10 years, it is intended that the MMR homes will be sold, and the Council will receive an agreed proportion of the sales price and benefit from any increase in the value of the homes.
- 3.6 Funding for the development will be delivered by DCHA's Malcolm Homes subsidiary.

#### **Potential Benefits**

- 3.7 The potential benefits of the development of Hyvots area 7 through this innovative funding model are that:
  - the Council would have delivered its strategic aim of regenerating the Moredun Park and Hyvots area through the provision of new and refurbished housing;
  - a brownfield site would be developed providing affordable housing and improved local shopping facilities;
  - rather than transfer the site to DCHA for nil consideration, the Council would receive a capital receipt, based on retail development value, with the potential for future, additional receipts following the sale of the MMR homes; and
  - the development would represent excellent value for money to the Council. Up to 18 affordable homes would be built on the site with no requirement for grant investment.

## **4 Financial Implications**

- 4.1 Previous Committee approval has been granted to transfer the site known at nil consideration. This proposal would generate an up front capital receipt for the HRA based on retail development value and with the potential for future, additional receipts following the sale of the MMR homes.

## **5 Equalities Impact**

- 5.1 Consideration has been given to the relevance of the Equalities Act 2010. A pre-assessment has been carried out in relation to this report and the score has been calculated at 3, therefore a full Equalities Impact Assessment is not required.

## **6 Environmental Impact**

- 6.1 The new homes will be built to current building regulations with a high level of energy efficiency.

## **7 Conclusions**

- 7.1 DHCA have submitted an alternative proposal for the site, which provides homes in addition to the commercial units that were originally planned.
- 7.2 This proposal offers a capital receipt for the Council and will provide new unsubsidised affordable homes as well as new retail development on the site. This will be taken forward through DCHA who provide much needed affordable homes and Crudens who will purchase and lease the land for retail development.

## **8 Recommendations**

- 8.1 It is recommended that Finance and Resources Committee:
- a) agrees to dispose of an area of Housing Revenue Account (HRA) land known as Hyvots 7 (the site) for a capital receipt and amend the decision of Finance and Resources Committee on 11 November 2008 to accept a nil receipt to reflect this; and
  - b) grants delegated authority to the Director of Services for Communities to negotiate and conclude the sale of this site, including authority to instruct the Head of Legal and Administrative Services to settle the conveyancing formalities associated with the sale.

**Mark Turley**  
Director of Services for Communities

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Appendices	Appendix 1 – Site Plan
Contact/tel/Email	Tricia Brocklebank, Programme Manager, 0131 529 4117 Susan Craig, Corporate Property, 0131 529 5934
Wards affected	Liberton/ Gilmerton – Ward 16
Single Outcome Agreement	<p><b>National Outcome 7</b> - We have tackled the significant inequalities in Scottish Society.</p> <p><b>National Outcome 9</b> - We live our lives safe from crime, disorder and danger.</p> <p><b>National Outcome 10</b> - We live in well-designed, sustainable places where we are able to access the amenities and services we need.</p> <p><b>National Outcome 11</b> - We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.</p> <p><b>National Outcome 12</b> - We value and enjoy our built and natural environment and protect it and enhance it for future generations.</p>
Background Papers	Finance and Resource Committee, 11 November 2008 'Hyvots Regeneration – Land Disposals'. *

