



Glasgow City Council

Contracts and Property Committee

Joint report by Director of Governance and Solicitor to the Council,  
Director of Regeneration and the Economy and Interim Chief Officer,  
GCHSCP

**Item 1**

27 February 2020

**RESPONSE TO QUESTIONS RAISED AT THE  
CONTRACTS AND PROPERTY COMMITTEE ON 6th FEBRUARY 2020**

**Purpose of Report:**

To provide a response to the questions raised at the Contracts and Property Committee on 6th February 2020.

**Recommendations:**

It is recommended that the Committee notes the content of this report.

Ward No(s):

Citywide: ✓

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

## Contracts and Property Committee

6th February 2020

### Enquiries from Elected Members

<b>(Agenda Item 2)</b>	Glasgow Alliance to End Homelessness
Question 1 (Councillor Cunning)	Is VAT reclamation still available if the Council is no longer acting as 'Banker' for the Alliance?
Answer 1	<p>Not all Homelessness purchased services are subject to VAT, but the Council currently fully reclaims all VAT charged and will continue to do so as we move into the new Alliance arrangement.</p> <p>If, in future, the Alliance partners agree to transfer the role of banker to another organisation partner, the Council will still be able to fully reclaim any VAT charged. However, the organisation partner taking over the role of banker will need to ensure they fully explore the VAT implications and how they will impact on their organisation.</p>
<b>(Agenda Item 3)</b>	Delegated Contract Awards
Question 2 (Cllr Andrew)	Was the contract award to the Kiely Brothers (for Footway, Slurry, Seal) a new contract or had they been awarded a contract/s previously?
Answer 2	Kiely Brothers have been awarded previous contracts for this type of work, all of which were competitively tendered via a mini-competitions undertaken via an iteration of the Council's Construction and Trades Frameworks.
<b>(Agenda Item 6 )</b>	Off-market disposal of former Garscadden Primary School
Question 3 (Councillor Andrew)	As the properties detailed in the report are to built for mid-market rent and not social housing, can I get further information on how this decision is made? and would this decision change the value of the property being disposed of?
Answer 3	<p>Assessment for MMR is made by DRS Housing Investments and developing RSLs on a site by site basis taking into account the following:-</p> <ul style="list-style-type: none"><li>• housing need and demand in the local area</li><li>• knowledge of surrounding stock</li><li>• rental prices (both social and private)</li><li>• neighbourhood profiles</li><li>• research carried out into the potential for MMR in Glasgow</li><li>• size/type of housing proposed</li><li>• capacity of RSL to deliver/availability of finance</li></ul> <p>Mid market rent accounts for 30% of the 2019/20 Housing Investment programme which will support the strategy of mixed tenure development and diversification.</p> <p>RS Housing investments have advised "on the matter of value between mid-market rent and social rent housing schemes there is very little difference in costs between developing a project for social rent or mid-market rent. In terms of our funding, mid-market rent projects have a lower grant subsidy benchmark to reflect the higher rents that are charged for mid-market properties".</p>

	From our own valuation perspective we would not make any difference in value as we would always sell the site at market or best value.
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