

PERTH AND KINROSS COUNCIL**Property Sub-Committee****21 May 2014****VACANT PROPERTY DISPOSAL UPDATE****Report by the Executive Director (Environment)**

The purpose of this report is to highlight progress on the disposal of the Council's Vacant Property assets since the last report to Committee (Report No 13/02) in January 2013.

1. BACKGROUND

- 1.1 In order to ensure sound Council governance in the sale and disposal of assets, a Corporate Disposals Policy was developed and approved in January 2013 (Report No 13/03). In May 2013, The Environment Service Senior Management Team approved further delegation to officers for the Acquisition, Disposal and Management of Property. This gave delegation of authority from the Executive Director (Environment) to the Head of Planning and Regeneration and Regeneration Manager to dispose of property or rights in property valued at less than £100,000.
- 1.2 A training workshop for elected members was undertaken in August 2013 which was positively received. This was followed by a similar presentation to the Corporate Management Group (CMG).
- 1.3 This report highlights progress on disposal of those vacant properties declared surplus to service delivery and marketed through the existing disposals process. It does not include Housing Revenue Account (HRA) residential properties, vacant flats, and unoccupied areas of the operational estate.
- 1.4 Disposals within the Commercial Property Investment Programme (CPIP), reported to the Strategic Policy and Resources Committee on 18 September 2013 (Report No 13/448), which aims to provide a supply of land and business premises by the development and sale of assets, are included and identified.
- 1.5 The disposals transactions for property within the income producing investment portfolio were reported to this Sub Committee in January 2014 under the schedule of delegated matters (Report No 14/03).
- 1.6 The Council holds approximately 250 income producing investment properties including shops, offices, small workshop units and leased ground which currently realise approximately £1.8m annual revenue income. There is a general presumption against the outright disposal of these assets and lease disposals are undertaken on commercial terms.

2. PROPOSALS

- 2.1 Whilst there has been substantial progress in the disposal of property, there is a need for supporting processes to be further developed to ensure a consistent, efficient and transparent approach to the disposal of property and to enable the Council to demonstrate Best Value in the disposal of assets.
- 2.2 A revised corporate property disposals process is being developed by Corporate Asset Management to facilitate Council services early identification of surplus operational property in order to take the necessary actions to market and dispose of the property as quickly as possible. It is anticipated the new corporate disposal process will be complete by the end of November 2014 and an update report brought to Committee in early 2015.
- 2.3 A corporate appraisal framework is to be developed with input from all services. This is to examine and assess offers which may be below market value but might deliver wider sustainable socio economic benefits. This is likely to be increasingly important as the proposed Community Empowerment (Scotland) Bill aims to encourage communities to take on public sector land and buildings. As a result it is likely that, when this legislation is in force, requests will be received from community groups who wish to acquire Council properties for community purposes at less than their market value.

3. CONCLUSION AND RECOMMENDATIONS

- 3.1 The Sub Committee is asked to note progress on disposals by sale or lease of the vacant property assets identified in Appendix 1. The Committee is also asked to note the progress that has been made on the governance framework in the approved delegation of the disposal of property (see 2.1 above). The Committee is asked to note the identified actions which will further assist the disposal of assets.

Author(s)

Name	Designation	Contact Details
Kate Leer	Estates & Commercial Investment Team Leader	Ext. 75953
John McCrone	Regeneration Manager	Ext. 75385

Approved

Name	Designation	Date
Barbara Renton	Depute Director (Environment)	12 May 2014

If you or someone you know would like a copy of this document in another language or format, (On occasion only, a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	
Community Plan / Single Outcome Agreement	n/a
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	n/a
Asset Management (land, property, IST)	n/a
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	Yes
Risk	n/a
Consultation	
Internal	Yes
External	n/a
Communication	
Communications Plan	n/a
External	
Communication	
Communications Plan	

1. Strategic Implications

Community Plan / Single Outcome Agreement

- 1.1 This report does not directly relate to the delivery of the Perth and Kinross Community Plan / Single Outcome Agreement.

Corporate Plan

- 1.2 This report does not directly relate to the achievement of the Council's Corporate Plan Priorities but the development of a Corporate appraisal framework (referred to at 2.9 above) will assist assessment of future property asset disposals with Corporate priorities.

2. Resource Implications

Financial

- 2.1 The Head of Finance has been consulted on this report and there are no direct financial implications of the matters in this report.

Workforce

- 2.2 There are no direct workforce implications arising from this report.

Asset Management (land, property, IT)

- 2.3 The direct land and property implications arising from the disposals in this report are delegated matters for the Depute Director (Environment).

There are no direct information technology implications arising from this report.

3. Assessments

Equality Impact Assessment

- 3.1 The matters in this report have been considered under the Corporate Equalities Impact Assessment process (EqIA) with the following outcome:

- (i) Assessed as **not relevant** for the purposes of EqIA

Strategic Environmental Assessment

- 3.2 The matters in this report have been considered under the Environmental Assessment (Scotland) Act 2005 and no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

Sustainability

- 3.3 This report has been considered in terms of the Climate Change Act and the duty to demonstrate sustainability, environmental and economic impacts and the matters presented in this report do not have any direct impact.

Legal and Governance

- 3.4 The Head of Legal Services has been consulted on this report and the matters reported have no direct impact.

Risk

There are no direct risks associated with the matters contained in this report.

4. Consultation

Internal

- 4.1 The internal consultees to this report are the statutory officers stated above.

External

- 4.2 There have been no external consultees to the matters contained in this report.

5. Communication

- 5.1 The matters in this report do not necessitate a communications plan.

2. BACKGROUND PAPERS

No background papers.

3. APPENDICES

Appendix 1: Details of Vacant Property Disposals

APPENDIX 1

Asset	Name	Town	Status	Notes
LEASED / SOLD				
389	Cherrybank former school	Perth	SOLD	Sold - receipt 14/15 - redevelopment subject to Planning consent
491	Kinross High School	Kinross	SOLD	Sold - receipt 14/15 - redevelopment subject to Planning consent
7437	Kinross Town Hall/Offices/Library	Kinross	SOLD	Sold to Simon Wilson
7659	County Buildings, Kinross	Kinross	SOLD	Sold to Liberty Business Centre
7049	Belhaven House, Perth	Perth	SOLD	Sold to Scottish Children's Reporters Unit
7993	Offices, 1-21 Mill St	Perth	SOLD	Sold for redevelopment for Premier Inn Hotel and Restaurant
2838	Aberfeldy Roads Office	Aberfeldy	SOLD	Sold to local business James Woolnough
6061	Craignair, Aberfeldy	Aberfeldy	SOLD	Sold for residential development
7257	LSO Depot (Old Slaughterhouse)	Aberfeldy	SOLD	Sold - receipt 14/15 - residential redevelopment subject to Planning consent
7622	Library (Crieff)	Crieff	LEASED	Perth College lease ground floor. Strathearn Art Space in upper floor
382	Caledonian Road Primary School	Perth	UNDER OFFER	Sale to Caledonian Housing Association subject to Planning consent.
CPIP				
1629	Former Depot (Burrelton)	Burrelton	SOLD	Sold to a local business for expansion - Mrs J Lyall
6054	Ericht Business Centre - Units 1,3,4	Blairgowrie	SOLD	Sold to a local business for expansion - Graham Environmental
UNDER DEVELOPMENT				
7478	45-49 High Street, Perth	Perth	UNDER NEGOTIATION	Pre-Remediation Budget identified as part of proposed Visit
6186	Store, Mill St, Perth	Perth	UNDER NEGOTIATION	In negotiation with adjacent owner (Banks) on redevelopment of property
425	Hill Primary School	Blairgowrie	HELD	Held for Ericht Trust proposal until June 2014
390	St Johns RC Academy (Primary)	Perth	HELD	Being held for potential WASPS cultural services project
1421	Hill Primary Nursery (Rowanbank)	Blairgowrie	REDEVELOPMENT	To be demolished and site sold
2842	Former Depot, Auchterarder	Auchterarder	REDEVELOPMENT	To be sold for redevelopment - potential food retail site
442	Ardler Primary School	Ardler	DECLARED SURPLUS	Title issues to be resolved re access
470	Georgetown Primary School	Bridge of Gaur	DECLARED SURPLUS	Title issues to be resolved
7320	Offices, Library & Store, Bank St	Aberfeldy	UNDER NEGOTIATION	Negotiating with interested party
7567	PC, Burnside Rd, Pitlochry	Pitlochry	UNDER NEGOTIATION	Disposal agreed with purchaser

HOUSING REVENUE ACCOUNT (HRA)

7085	Office, 56/58 East High Street, Crieff	Crieff	LEASED	Leased to Elite Care (Scotland) Ltd until 30.11.15
7532	Shop, 149 High St, Kinross	Kinross	LEASED	Leased to Stuart Walker until 28.05.16 Property been upgraded
7533	Shop, 153 High St, Kinross	Kinross	LEASED	Leased to David West until 07.10.16 Property been upgraded
7925	Shops, 35 & 37 Garth Ave, Perth	Perth	LEASED	Occupied under short term Licence to Letham Climate Challenge for Swap shop for furniture etc. No 37 only been partially
7475	Shop, 282 High St, Perth	Perth	LEASED	Leased to Citizens Advice Bureau to 15.09.22 for Credit Union as property has been upgraded
7210	Office: 4b & 6a St Catherines Road, Perth	Perth	LEASED	Currently leased by Tayside Grain to 31.05.14 Identified for conversion to residential use by Housing
7917	Shop, 103 Dunkeld Rd, Perth	Perth	REDEVELOPMENT	Not part of Muirton redevelopment and proposals for upgrade being progressed by by Housing
7055	Shop/Office (4/12 New Row Perth)	Perth	REDEVELOPMENT	Housing converting to flats
6176	Shops/Offices, 8b St Catherines Rd	Perth	VACANT - FOR REDEVELOPMENT	Previously occupied on short term Licence to Perth Foodbank and now vacant and requiring upgrading and potentiall conversion project for residential by Housing
7926	Shops, 39 Garth Ave, Perth	Perth	VACANT - FOR REDEVELOPMENT	Letham Climate Challenge have applied to utilise this shop on same basis as Nos 35 & 37 which will require upgrading for
6178	Shop - 12a & 12b St Catherines Rd	Perth	VACANT - FOR REDEVELOPMENT	HRA Property - requires an upgrade and has been earmarked for conversion to residential use by Housing
7210	Office: 6b & 8a St Catherines Road	Perth	VACANT - FOR REDEVELOPMENT	Recently vacated by Youth Justice and identified for conversion to residential use by Housing
7210	Office: 4a St Catherines Road, Perth	Perth	VACANT - FOR REDEVELOPMENT	Property been vacated by DISIP and identified for conversion to residential use by Housing
7489	Shop, 278 High Street, Perth	Perth	VACANT - FOR REDEVELOPMENT	Under review by Housing and will require upgrade if property is to be let