

PERTH AND KINROSS COUNCIL**Property Sub-Committee****20 August 2014****Pre Marketing Remediation Update****Report by Depute Director (Environment)**

A non-recurring budget allocation of £200,000 was approved within the 2013/14 Revenue budget for pre-marketing remediation works and this report provides an update on proposed adjustments to the expenditure profile.

1. BACKGROUND

- 1.1 A non-recurring budget allocation of £200,000 was approved within the 2013/14 Revenue budget for pre-marketing remediation works intended to improve the marketability of a number of surplus properties, with a view to reducing the number of vacant buildings and to encourage redevelopment.
- 1.2 The projects identified for remediation were selected from the list of vacant Council properties and at its meeting of 8 January 2014, the Property Sub Committee approved expenditure on a number of properties as set out in Appendix 1. The approved list of works proposed demolition of 5 buildings in various locations, including the former Clachan office to the front of the new Perth North Re-cycling Centre, and the renovation of the Council owned shop at 45 High Street, Perth.
- 1.3 Following the Property Sub Committee approval, work commenced on the commissioning of contamination reports and other issues such as, service disconnections and demolition warrants to accommodate the proposed demolitions. Renovation works at 45 High Street were completed in July 2014.
- 1.4 Although surveys, service disconnections and other preparatory works were undertaken in 2013/14 (totalling £18,000) it was not possible to proceed with all the works in 2013/14 and £75,000 of the original budget allocation was approved to be carried forward to 2014/15 to meet the estimated cost of works to 45 High Street, Perth and other committed expenditures.
- 1.5 The revised cost of total works in pursuance of the various projects has been revised to £127,000 following further detailed costing and tendering for 2014/15.

2. UPDATE

- 2.1 Since establishing the original programme of works there has been renewed interest by external parties in a number of properties and the receipt of contaminations reports has negated the need to demolish others and marketing has commenced. In particular, it is no longer considered necessary to proceed with the demolition of the buildings at Rowanbank, Blairgowrie, Rosebank, Auchterarder and the public conveniences at Burnside, Pitlochry.
- 2.2 It is now thought the above properties can be successfully disposed of for redevelopment by successful purchasers. It is, however, proposed that the Council proceed with the demolition of the former Clachan Building at Inveralmond and the former toilets at Kinloch Rannoch.

3. RECOMMENDATION

- 3.1 The Committee is asked to note the proposed adjustment to the list of properties identified for pre market remediation.

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Approved

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Barbara Renton	Depute Director (Environment)	11 August 2014

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	Yes
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	N/A
Asset Management (land, property, IST)	Yes
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	Yes
Risk	None
Consultation	
Internal	Yes
External	None
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan / Single Outcome Agreement

1.1 This report contributes to the following Single Outcome Agreement outcomes:

- Our area will have a thriving and expanding economy
- Our area will have a positive image locally, nationally and internationally

Corporate Plan

1.2 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- Giving every child the best start in life;
- Developing educated, responsible and informed citizens;
- Promoting a prosperous, inclusive and sustainable economy;
- Supporting people to lead independent, healthy and active lives; and
- Creating a safe and sustainable place for future generations.

1.3 This report supports objectives (iii) and (v) above.

2. Resource Implications

Revenue:

- 2.1 The Environment Service revenue budget for 14/15 can accommodate the revised expenditure on the projects outlined in Appendix 1.

Capital:

- 2.2 The expenditure on the projects set out above should result in securing a capital receipt from the onwards sale of the various assets and sites monitored which will be monitoring and reported through the 2014/15 capital budget monitoring process.

Asset Management (land, property, IT)

- 2.3 The Asset Management issues arising from the proposals are delegated to the Executive Director (Environment) who has indicated agreement with the proposals.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.
- 3.2 This section should reflect that the proposals 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

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.
- 3.4 The proposals have been considered under the act and no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

Legal and Governance

- 3.5 The Head of Legal Services has been consulted on the issues contained in this report.

4. Consultation

Internal

- 4.1 The Head of Legal Services, Head of Finance have been consulted on the issues contained in this report.

2. BACKGROUND PAPERS

None.

3. APPENDICES

Appendix 1 - Pre Marketing Remediation Projects.

Project	Actions approved by property Sub Committee on 08/01/2014 and budget allocated for 13/14	Revised budget requirement for 2014/15	Comments
Rowanbank Community Learning Centre & Nursery Annexe, Blairgowrie	Demolition of life expired buildings £30,000	£0	Recent external interest anticipates net receipt will be maximised by sale at auction, avoiding the need to demolish the buildings. Expenditure (surveys etc.) in 2013/14 met from Pre-Marketing Remediation budget.
Rosebank Roads Depot, Auchterarder	Demolition of ruined building £32,000	£0	Site contamination not as extensive as anticipated so marketing commenced. Expenditure (surveys etc.) in 2013/14 met from Pre-Marketing Remediation budget.
45 High Street, Perth	Internal services upgrade and removal of old internal fit out £59,500	£92,000	Works have been completed but projected costs have increased to £92,000. Increased cost (£32,500) to be met from TES budget 2014/15 .
Former Clachan office, Inveralmond, Perth	Demolish building and create new site for future reuse venture. £13,500	£25,000	Revised estimated cost of demolition on further site investigation. Increased cost (£11,500) to be met from TES budget 2014/15.
Pre-marketing Title, Legal and other issues	Expert Legal opinion on PKC titles and other pre-marketing professional costs £5,000	£0	Expenditure on expert opinions delayed. If sales proceed within 1 year of expenditure, this can be deducted from the capital receipt or legal costs can be met from existing legal budget.
Kinloch Rannoch - Former Public Conveniences	Demolition and core path environmental improvements £20,000	£10,000	This site is not suitable for sale and will provide public amenity space. Expenditure (surveys etc.) in 2013/14 met from Pre-Marketing Remediation budget. Demolition to proceed – revised costs on tender (£10,000).
Burnside, Pitlochry - Former Public Conveniences	Demolition and site re-grading, removal of blight. £40,000	£0	Site contamination not as extensive as originally anticipated and a purchaser has been identified, removing the requirement to demolish. Expenditure (surveys etc.) in 2013/14 to date met from Pre-Marketing Remediation budget. Purchaser identified.
TOTAL	£200,000	£127,000	

