

PERTH AND KINROSS COUNCIL

Housing and Communities Committee – 24 January 2022

Property Sub Committee – 28 February 2022

PROPOSED DISPOSAL OF NOS. 1 - 5 CUMBERLAND BARRACKS, COUPAR ANGUS

Report by Executive Director (Communities)

(Report No. 22/16)

The purpose of this report is to seek approval for the disposal of six properties on the Housing Revenue Account properties at 1 to 5 Cumberland Barracks, Coupar Angus.

1. BACKGROUND / MAIN ISSUES

- 1.1 Cumberland Barracks, also previously known as Yeomanry Barracks, is a Category B listed building built between 1745 and 1766. The building is a 3 storey L-plan red rubble construction with white sandstone dressings. Contained within the building are six flats, one bedsit and five one-bedroom properties, all of which are currently empty. Appendix 1 to this report contains photographs of the building.
- 1.2 As a Category B listed status, any maintenance or repairs to the building must follow strict guidelines and be undertaken in consultation with Historic Environment Scotland and the Council's Conservation Officers.
- 1.3 Repairs and improvements to the building are challenging and costly due to its listed status. In line with listed building regulations, the coping stones were recently replaced, and the exterior of the building re-coated, costing over £127,000. Re-coating needs to be carried out every 2 years. Future work will be required to maintain and improve the energy efficiency of the building, based on current requirements and listed building regulations, this work will be extremely costly.
- 1.4 Due to the wider availability of affordable housing by the Council and partner housing providers in Coupar Angus, there is no demand for the properties at Cumberland Barracks, which has made the identification of suitable tenants a significant challenge. Since 2020, 10 potential tenants have been identified, however all property offers made were refused by these applicants. The main reason for refusals were that the properties are too dark and small. All six properties have very thick walls and small windows resulting in all flats having a dark interior which cannot be improved due to the listed status. The internal stairwell of the building is also dark, with hidden corners and areas, and despite being well lit, these create an unsafe appearance.

- 1.5 A range of measures have been taken to encourage take up of the properties including: advertising the properties through social media, developing a local lettings plan, offering incentives such as carpets, white goods, meeting with local businesses and other services to establish if the properties could be used for key workers or other groups.
- 1.6 Since April 2020, three of the flats have been empty, a further two since June 2020 and the remaining flat became empty in October 2021. When occupied, the flats provide an annual rental income of just over £19,000. As a result of these vacancies, the Housing Revenue Account has lost out on this income whilst still having to pay to maintain the fabric and security of the building.
- 1.7 Despite the best efforts of the Teams, due to the continued lack of demand and ongoing financial loss to the Service, Senior Officers within Housing have assessed the building as being surplus to requirements. It is proposed that the Council dispose of the building with the six properties to enable the financial sum from the sale to be reinvested within the new build programme or a regeneration project.

2. PROPOSAL

- 2.1 It is therefore proposed that colleagues in Estates are instructed to market the building with the six properties at auction.
- 2.2 The Scottish Government developed a general consent process for section 12(5) and (7) of the Housing (Scotland) Act 1987. This was developed in line with the regulations already included in the Disposal of Land by Local Authorities (Scotland) Regulations 2010 and enables Local Authorities to treat General Fund and Housing Revenue Account disposals in a similar manner.
- 2.3 The Scottish Government's guidance on the Disposal of assets from the Housing Revenue Account outlines the level of consent required in relation to any proposed disposal.
- 2.4 It states that where an asset is being disposed of within 75% of its market valuation, then the Local Authority has General Consent or in other words can "self-certify" the consent. This General Consent sits with Elected Members within the relevant Committee structures.
- 2.5 An assessment carried out by the District Valuer in August 2021 has indicated a value of around £256,000 for the building with the six properties.
- 2.6 As outlined earlier (2.3 refers) it is proposed that the properties be sold for within at least 75% of this valuation.
- 2.7 In accordance with our agreed consultation and engagement framework, tenants were fully consulted in early December 2021 and no concerns were raised about the proposal to dispose of the properties and reinvest the monies into our new build or regeneration programme.

Best Value and Disposal Of Land Regulations

2.8 The Council is required to fulfil its statutory duties under Best Value as set out in Section 1 of the Local Government in Scotland Act 2003 (“the 2003 Act”). Relevant aspects of this duty include:

- making best use of public resources, including land and property.
- being open and transparent in transaction.
- ensuring sound financial controls are in place to minimise the risk of fraud and error.
- assessing the full financial consequences of decisions at an appropriate level before major financial decisions are taken or commitments entered into.
- demonstrating responsiveness to the needs of communities, citizens, customers, and other stakeholders, where relevant.

2.9 The Council is also required to comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010 (“the Disposals Regulations”).

2.10 The sale of the six properties at auction, after a competitive bidding process on the terms set out above, complies with the Council’s requirement to fulfil its statutory duties in respect of Best Value and Best Consideration, and also complies with the Council’s Disposal of Land and Buildings policy. The properties will be marketed and sold by a qualified Chartered Surveyor and will be widely marketed by the Auctioneers to ensure transparency.

2.11 The table below sets out the proposed timescales for the proposal:

	Date
Property Sub-Committee Approval	March 2022
Preparatory Work and Instruction to Auctioneers	April – June
Marketing of Property	July – Early August
Formal Conclusion of Sale (subject to suitable offer)	September

3. CONCLUSION AND RECOMMENDATIONS

3.1 It is recommended that:

- (i) Housing and Communities Committee approve the proposed disposal by auction of properties at 1-5 Cumberland Barracks on the terms and conditions contained within this report and on any other terms and conditions considered appropriate by the Executive Director (Communities) and the Head of Legal Services.
- (ii) Subject to approval of the Housing and Communities Committee on 24 January 2022 (3.2 refers), the Property Sub-Committee is asked to approve the proposed disposal by auction on the terms and conditions contained within this report and on any other terms and conditions considered appropriate by the Executive Director (Communities) and the Head of Legal Services.

- (iii) Should the property fail to sell at Auction, it should be re-marketed for sale through the traditional manner or at Auction in compliance with the Disposal of Land by Local Authorities (Scotland) Regulations and the relevant property's Market Value, and otherwise on terms to the satisfaction of the Executive Director (Communities) and the Head of Legal Services.

Authors

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Approved

Name	Designation	Date
Clare Mailer	Depute Director (Communities)	14 th January 2022

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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	None
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	Yes
Communication	
Communications Plan	None

1. Strategic Implications

Community Plan

- 1.1 The Perth and Kinross Community Plan and Perth and Kinross Council Corporate Plan have five concurrent outcomes which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. The following are relevant to this report:

- (iii) *Promoting a prosperous, inclusive and sustainable economy*
- (v) *Creating a safe and sustainable place for future generations*

2. Resource Implications

Financial

- 2.1 The Head of Finance has been consulted in relation to this report

Capital

- 2.2 The net proceeds of the Auctioned property will accrue to the Housing Revenue Account.

Revenue

- 2.3 There will be a removal of the maintenance and running costs for the building

Workforce

- 2.4 There are no direct workforce issues as a result of this report.

Asset Management (land, property, IT)

- 2.5 Both the Executive Director and Depute Director (Communities) have been consulted and agree 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. The Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).
- 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 This section should reflect that 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.

Risk

- 3.6 There are no additional risks as a result of this report.

4. Consultation

Internal

- 4.1 The Head of Finance and the Head of Legal and Governance were consulted on this report.

External

- 4.2 The appropriate level of external consultation with tenants has taken place.
- 4.3 Tenants were consulted through a range of measures and no concerns were raised about the proposal to dispose of the properties.

5. Communication

- 5.1 There will be no requirement for a Communication Plan

6. Appendices

- 6.1 Appendix 1 - Pictures of Cumberland Barracks.