



Securing the future... • *Improving services*  
• *Enhancing quality of life* • *Making the best use of public resources*

Council Building  
2 High Street  
Perth  
PH1 5PH

21/02/2022

A meeting of the **Property Sub-Committee** will be held virtually on **Monday, 28 February 2022** at **09:30**.

If you have any queries please contact Committee Services on (01738) 475000 or email [Committee@pkc.gov.uk](mailto:Committee@pkc.gov.uk).

**THOMAS GLEN**  
Chief Executive

***Those attending the meeting are requested to ensure that all notifications are silent on their device and other devices are in silent mode.***

***Please note that the meeting will be broadcast online and recorded. The recording will be publicly available on the Council's website following the meeting.***

**Members:**

Councillor Murray Lyle (Convener)  
Councillor Roz McCall (Vice-Convener)  
Councillor Alasdair Bailey  
Councillor Grant Laing  
Councillor Tom McEwan  
Councillor Caroline Shiers  
Councillor Willie Wilson



**Property Sub-Committee**

**Monday, 28 February 2022**

**AGENDA**

***MEMBERS ARE REMINDED OF THEIR OBLIGATION TO DECLARE ANY FINANCIAL OR NON-FINANCIAL INTEREST WHICH THEY MAY HAVE IN ANY ITEM ON THIS AGENDA IN ACCORDANCE WITH THE COUNCILLORS' CODE OF CONDUCT.***

- 1 WELCOME AND APOLOGIES**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTE OF MEETING OF PROPERTY SUB COMMITTEE OF 10 5 - 6  
JANUARY 2022**  
(copy herewith)

The following report has been considered by the Housing and Communities Committee on 24 January 2022 and an additional recommendation agreed. An addendum is attached providing further information.

- 4 PROPOSED DISPOSAL OF NOS. 1-5 CUMBERLAND BARRACKS, COUPAR ANGUS 7 - 24**  
Report by Executive Director (Communities) (copy herewith 22/16)

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.
---

You can also send us a text message on 07824 498145.
--

All Council Services can offer a telephone translation facility.
--



## PROPERTY SUB-COMMITTEE

Minute of meeting of the Property Sub-Committee of the Strategic Policy and Resources Committee held virtually on Monday 10 January 2022 at 9.30am.

Present: Councillors M Lyle, R McCall, A Bailey, G Laing, T McEwan, C Shiers and W Wilson.

In Attendance: B Cargill, S Crawford and D Littlejohn (all Communities); G Boland and B Reid (both Education and Children's Services); G Fogg, C Irons, A Brown and M Pasternak (all Corporate and Democratic Services).

Councillor M Lyle, Presiding

### 1. APOLOGIES/SUBSTITUTES

No apologies or substitutions were noted.

### 2. DECLARATIONS OF INTEREST

There were no Declarations of Interest made in terms of the Councillors' Code of Conduct.

### 3. REQUESTS FOR DEPUTATIONS

In terms of Standing Order 13, the Committee agreed to hear deputations in relation to the following item: Petition relating to Class 3 Business Use at Rie-Achan Road Car Park, Pitlochry.

### 4. PETITION – THE WEE CHOO-CHOO

There was submitted and noted a petition requesting that the Property Sub-Committee rehear the matter of leasing the Rie-Achan Car Park, Pitlochry for a Class 3 Business Opportunity.

M McCallum addressed the committee and M McCallum and F McCallum answered members' questions.

### 5. DEPUTATIONS

F Hamilton and M Wood addressed the committee and answered members' questions.

### 6. PETITION RELATING TO CLASS 3 BUSINESS USE AT RIE-ACHAN ROAD CAR PARK, PITLOCHRY

There was submitted a report by the Executive Director (Communities) (22/1) outlining issues raised in the petition submitted for consideration in respect of The Wee Choo Choo Restaurant and providing a preliminary response to the issues.

### **Motion (Councillors Lyle and McCall)**

**The petition be noted and no further action taken.**

### **Amendment (Councillors Bailey and Laing)**

- (i) This Committee notes the petition asking that it reconsider its decision of 14 June 2021 not to lease part of the Rie-Achan Road Car Park for a commercial use.
- (ii) This Committee resolves that it will reconsider the matter of marketing the site according to the terms outlined in Report 21/92 of the Property Sub-Committee of 14 June 2021.
- (iii) This Committee therefore remits officers to bring a report to the next meeting of the Strategic Policy and Resources Property Sub-Committee on the matter which will additionally provide illustration of where in the town the replacement parking spaces could be provided.

In terms of Standing Order 21 a roll call vote was taken.

4 members voted for the motion as follows:  
Councillors Lyle, McCall, Shiers and Wilson.

3 members voted for the amendment as follows:  
Councillors Bailey, Laing and McEwan.

#### **Resolved:**

In accordance with the motion.

## **7. MINUTE**

The minute of meeting of the Property Sub-Committee of 25 October 2021 was submitted and approved as a correct record.

## **8. LEARNING ESTATE PROGRAMME – PROGRESS UPDATE**

There was submitted a report by the Executive Director (Education & Children's Services) (22/2) on the progress and proposals for delivering the current school projects within the Education and Children's Services Learning Estate Programme and detailing key milestones which have been achieved since the last update to Property Sub-Committee on 23 August 2021 (Report 21/130 refers).

#### **Resolved:**

- (i) The significant milestones achieved since the previous report to this Sub-Committee on 23 August 2021, as detailed in Report 22/2, be noted.
- (ii) That project teams continue to manage the impact of COVID-19 on projects, be noted.

**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:

	<b>Date</b>
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

Name	Designation	Contact Details
Michelle Dow Campbell Rowan	Service Manager Estates Surveyor	<a href="mailto:Commcommitteereports@pkc.gov.uk">Commcommitteereports@pkc.gov.uk</a> 01738 475000

#### Approved

Name	Designation	Date
Clare Mailer	Depute Director (Communities)	14 <sup>th</sup> January 2022

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.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 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.



- 1.1 At Housing and Communities Committee on 24 January 2022, the attached report was considered, and the recommendation to dispose by auction of properties at 1-5 Cumberland Barracks on the terms and conditions contained within the report was approved with the following amendment to the recommendation.
- 1.2 This amendment was to include a further recommendation that: *“the capital receipt raised from the sale of this property would be reinvested in modern social housing for affordable rent where it is most needed”*.
- 1.3 However, alongside the amendment, several queries and questions were raised by Members of the Committee. Below is an overview of these queries with detailed answers:

- **Why was there no soft market test carried out?**  
Perth & Kinross Council have an obligation to achieve ‘Best Value’ for any assets that are declared surplus to operational requirements. This is the Market Value of a property but there is a discretion where we are allowed to sell at 25% below the market value. Based on this obligation, it was considered that a soft market test was not required.
- **Why auction as the first option and not the open market?**  
Selling at an auction obliges the purchaser to settle the sale, within 28 days. A conventional sale operates on the grounds of a ‘conditional offer’ which is where a potential purchaser offers a certain amount but is subject to them satisfying all the conditions such as Planning, structural survey, ground conditions etc. Based on previous experience, conditional offers are a way for a party to offer a good purchase price but then try and reduce the price down for various reasons. Therefore, based on knowledge and experience of the open market, and that the building is listed and the ongoing financial impact on the service, it was officers’ opinion that this was the best option in terms of our legal obligations, reducing further delays and achieving near market value for the building.
- **How can we ensure the buyer keeps up with the maintenance of the building?**  
As the building has a listed status, there is a legal obligation for the owner to maintain the building. Historic Scotland can provide support and assistance to the owner regarding the requirements and can provide information on sources of funding to help with the maintenance of the building.

- **What support is available for a buyer with the upkeep as per the listed building status?**

Unlike a local authority, a private business or an individual can access various grant funding to support with the maintenance of listed buildings. As outlined in the Committee report, the building is costing the Council money in lost rent revenue and maintenance. Due to the high refusals and lack of demand for the properties, the building has been declared surplus by the service. Selling the building, with the six properties, would raise a significant sum that could be reinvested in providing modern social housing for affordable rent in areas where it is most needed and provide housing that our tenants and applicants want. This was noted in the report, and clarified as the new recommendation as a result of the approved amendment.

- **Are we aware of any interest in the building?**

Advice received from the District Valuer is that the property may appeal to an investment purchaser particularly now that the external refurbishment has been completed and based on the employment opportunities in Coupar Angus.

- **Why would a private landlord buy this building if the Housing Service cannot find suitable tenants?**

As a social landlord, there is different legislation and obligations that must be followed compared to a private landlord such as the rules on flat-sharing, level of rental charge and flexibility in tenancy duration. These differences could support a private landlord find suitable tenants based on the employment opportunities in Coupar Angus.

- **What consultation was carried out regarding the proposal to dispose?**

In line with housing legislation and the requirements of the Scottish Housing Regulator, we have a detailed framework regarding our consultation and engagement with tenants and applicants before we dispose of any HRA asset. This framework was developed with our tenants. In terms of the consultation and engagement for Cumberland Barracks we:

- wrote to all tenants in the Coupar Angus area providing a description of the asset and an explanation on our proposal to seek approval for disposal.
- identified a single point of contact for tenants or applicants through our Tenant and Engagement Team should anyone wish to provide feedback or raise any concerns.



- provided detailed information about the proposal to dispose within our tenants' magazine - On the House Magazine – which is sent out to all tenants.
  - provided information on the proposal on all our social media platforms – Facebook, twitter and webpage.
  - held discussions with all applicants on our Common Housing Register who required one bedroom accommodation in the Coupar Angus area and also other applicants in order to generate interest and potentially increase uptake in the properties.
- **What are the main reasons for applicants refusing the properties?**  
Since 2020, 10 potential tenants have been identified, however all property offers made were refused by these applicants. 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. None of the refusals were due to perceived anti-social behaviour problems.

The main reasons for refusals were:

- the properties are too dark and small.
  - there was no shared garden.
  - there was no off-street parking.
  - the internal stairwell of the building is too dark, with hidden corners and areas – making it feel unsafe.
- **What actions has the Service taken to relet the properties?**  
To encourage take up of the properties a range of actions have been carried out by the teams such as:
    - promoting the availability of the properties via social media platforms. This generated some interest, however, following several viewings all the offers made were refused.
    - through our housing options approach, offering the properties to all applicants seeking housing in the Coupar Angus area or those with all housing areas selected on their housing application.
    - offering various incentives such as white goods, financial assistance with removals, carpets and enhanced decoration.
    - developing a local lettings plan focusing on particular groups based on feedback from a survey the team had developed regarding the low demand and interest in the properties.

- enhancing and making improvements to the building and properties based on the feedback received from applicants that had refused the properties – more lights, repainted the stairwell to make it brighter etc.
- meeting with some local businesses and services to establish if a project / initiative could be developed to meet a particular housing and or support need – workers from a local factory, housing for young people, supported accommodation etc. Despite efforts by the team, none of these projects were implemented due to various issues – needs of the prospective tenants, adherence to legislation, financial viability, demand of the service – not within Coupar Angus etc.

Pictures of Cumberland Barracks before the improvement works:







**Pictures of Cumberland Barracks after the improvement works:**





