

- 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.