

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer: Supply, Distribution and Property

Infrastructure Regeneration and Economic Development Committee:

17 August 2022

Subject: Sale of 77 Bank Street, Alexandria G83 0LZ

1. Purpose

- 1.1** The purpose of this report is to seek Committee approval for the Council to enter into a contract for the disposal of 77 Bank Street, Alexandria to Aldi UK Ltd.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approve the disposal of the site to Aldi UK Ltd for the sum of £175,000 (One Hundred and Seventy Five Thousand Pounds).
- (ii) Authorise the Chief Officer, Supply, Property and Distribution to conclude negotiations.
- (iii) Authorise the Chief Officer, Regulatory and Regeneration to conclude the transaction on such conditions as considered appropriate.

3. Background

- 3.1** The office property and associated car park at 77 Bank Street, Alexandria is currently let to the Citizens Advice Bureau (CAB) at a rental of £18,250 per annum on a lease which expires on 30th April 2023.
- 3.2** The tenant, CAB, have informed us that they wish to vacate the property as soon as possible. The premises have been significantly under-utilised over the past couple of years and with reduced funding and increased costs the Trustees of CAB have taken the decision that they should vacate the premises as soon as possible.
- 3.3** We advised CAB that given the income from 77 Bank Street has been allowed for in the Councils budget projections, we cannot simply allow them to walk away from their lease obligations. We advised, however, that if we could find a replacement tenant or buyer for the property before April 2023 this is something we could consider.
- 3.4** Aldi UK Ltd own the adjacent property at 80 Bank Street and had previously enquired whether the Council would be willing to sell the 77 Bank Street in order to allow them to expand their car parking.

4. Main Issues

- 4.1** The property extends to 166 sq meters (1,786 sqft) on a site of 0.38 acres. The proposed price of £175,000 equates to a capital value rate of £1,053 per sq meter or £460,000 per acre. We consider this to be a strong price for the property which reflects the fact the purchaser is a special buyer as an adjacent landowner.
- 4.2** The property is not required by the Council for any operational purposes.
- 4.3** The offer from Aldi UK Ltd is not conditional on Planning but will be conditional on satisfactory title.
- 4.4** The current tenant wishes to vacate the property as soon as possible meaning the Council will lose out on the rental income from lease expiry in April 2023 and would require to find another tenant.
- 4.5** The proposed deal allows the CAB to be relieved of their financial liabilities early and provide the Council with substantial capital receipt.

5. People Implications

- 5.1** There are no significant people implications other than the resources required by the various Council services to deal with the planning application, environmental assessments and legal documentation to conclude this transaction.

6. Financial and Procurement Implications

- 6.1** The Council will benefit from a capital receipt.
- 6.2** There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1** The disposal will be subject to legal due diligence. In the event that there are significant issues resulting from this the disposal may not proceed and we would require to market it for rent or disposal.
- 7.2** Should approval not be provided the property will be vacant within a short timescale and could be an ongoing liability for the Council for utility and security charges.

8. Environmental Sustainability

- 8.1** Subject to Planning consent being granted the intention is that the existing building will be demolished and the site utilised for additional car parking.

9. Equalities Impact Assessment (EIA)

- 9.1** An Equality Impact Assessment is not applicable for the purpose of this report.

10. Consultation

- 10.1** Consultations will take place during the Planning Application process.

11. Strategic Assessment

- 11.1** By agreeing to this proposal the Council will benefit in terms of receiving a capital receipt.
- 11.2** By agreeing to this proposal this will be contributing to the Council's strategic priority for a strong local economy and improved job opportunities.

Angela Wilson
Chief Officer: Supply, Distribution and Property
Date: 18 July 2022

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Appendices:	None
Background Papers:	None
Wards Affected:	2