

WEST DUNBARTONSHIRE COUNCIL

Joint Report by Director of Education and Cultural Services and Acting Director of Housing, Regeneration & Environmental Services (Housing & Regeneration Services)

Community Safety & Environmental Services Committee: 6 December 2006

**Subject: Authority to Purchase the Tenant's Interest in the Property at 12
Poplar Road, Broadmeadow Industrial Estate, Dumbarton**

1. Purpose

- 1.1** To seek authority from the Committee to purchase the tenant's interest in the property at 12 Poplar Road, Broadmeadow Industrial Estate.

2. Background

- 2.1** The Council agreed to the sale of Levenford House with associated buildings and grounds on the open market on 30 March 2005. This property will be sold by the Council for a price in excess of £500,000 prior to 31 March 2007.
- 2.2** Education and Cultural Services have been seeking alternative office and storage accommodation for several months. They have looked at vacant space within schools and offices owned by the Council but the cost of adaptation has been excessive.
- 2.3** The property at 12 Poplar Road, Broadmeadow Industrial Estate has been vacant for some time. The Estates Section of Housing, Regeneration and Environmental Services, acting as landlord, approached the tenant of this building, Scottish Water, regarding the future use of this property. The Estates Section was informed that the property was surplus to the operational requirements of Scottish Water and would therefore be sold. Representatives of the Estates Section, and Education and Cultural Services have viewed this property.

3. Main Issues

- 3.1** The land at 12 Poplar Road, Broadmeadow Industrial Estate forms part of the Dumbarton Common Good Fund.
- 3.2** The buildings are owned by Scottish Water and held on a 99 year ground lease from 28 November 1969 until 11 November 2068. The ground rent of £5,500 p.a. is paid by Scottish Water to West Dunbartonshire Council who manages the Common Good Fund. The ground rent is subject to a rent review on 28 November 2009.

- 3.3** Scottish Water have appointed an Agent to sell these buildings although the marketing has not started. During 2004 the Agent valued the tenant's interest in 12 Poplar Road at £200,000.
- 3.4** The property consists of two detached single storey buildings with a large yard surrounded by security fencing. The accommodation comprises of offices extending to 527 sq.m (5,676 sq.ft) or thereby, store of 308 sq.m (3,365 sq.ft) or thereby, detached store of 207 sq.m (2,228 sq.ft) or thereby and a yard surfaced with tarmac extending to 1.02 acres or thereby.
- 3.5** The layout and condition of this property is good. The offices have modern IT facilities, toilets and rest room. The building is suitable for disabled access. The rear yard has security fencing and ample space for mobile library vans and off street parking for staff vehicles.

4. Personnel Issues

- 4.1** The purchase of 12 Poplar Road must occur prior to the sale of Levenford House in order for Education and Cultural Services staff to vacate Levenford House to allow the vacant possession to be given.

5. Financial Implications

- 5.1** It is expected that the purchase price of 12 Poplar Road could be met by the excess over £500,000 released from the sale of Levenford House.
- 5.2** Relative to 4.2 above the sale of Levenford House and purchase of 12 Poplar Road needs to occur within the same financial year i.e. prior to 31 March 2007.
- 5.3** The ground rent of £5,500 p.a. (subject to review) will be paid by Education and Cultural Services to the Common Good Fund.
- 5.4** Education and Cultural Services occupy a store at Lomond Trade Centre with revenue costs of approximately £5,000 p.a. They will vacate this store and move items to 12 Poplar Road resulting in a revenue saving.

6. Conclusion

- 6.1** Purchase of Scottish Water's interest at 12 Poplar Road would provide the Council with useful additional office and storage space and facilitate the sale of Levenford House.

7. Recommendations

- 7.1** **That the Acting Director of Housing, Regeneration and Environmental Services (Housing & Regeneration Services) be authorised to agree a purchase price with the Agent acting for Scottish Water for the tenant's interest in 12 Poplar Road, Broadmeadow Industrial Estate, Dumbarton.**

- 7.2 That the Head of Legal and Administrative Services be authorised to conclude the early termination of the existing ground lease to Scottish Water and to conclude the purchase of Scottish Water's interest subject to such legal conditions as considered appropriate.**

Liz McGinley
Director of Education & Cultural Services
Date: 23 November 2006

Irving Hodgson
Acting Director of Housing, Regeneration and Environmental Services
(Housing & Regeneration Services)
Date: 23 November 2006

Wards Affected:	Ward 15
Appendix:	None
Background Papers:	Estates Section File
Person to Contact:	William Gibson, Section Head of Estates Housing, Regeneration & Environmental Services Council Offices, Garshake Road, Dumbarton G82 3PU Tel. No. (01389) 737156