

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

**Housing, Environment and Economic Development Committee:
2 February 2011**

Subject: Purchase of vacant first floor premises and back court land at 125 Main Street, Alexandria, G83 0NX

1. Purpose

- 1.1** The purpose of this report is to seek Committee approval to purchase the first floor premises as shown hatched in black and back court land cross hatched in black at 125 Main Street, Alexandria as shown on the attached plan from the Queen's and Lord Treasurer's Remembrancer (QLTR). This organisation is empowered by the Crown to take title to ownerless land or buildings.

2. Background

- 2.1** Following termination of the lease of the premises to Strathleven Financial Management Limited on 30 April 2009, it was intended that Committee authorisation be sought to sell the premises on the open market. Subsequent advice from legal services established that West Dunbartonshire Council was not the owner despite the property having been let to various tenants since 1996. The Council, however, owns the ground floor shops at 121 and 123 Main Street immediately below these first floor premises.
- 2.2** During the night of 16/17 October 2009, a fire within the roof space of 125 Main Street rendered it unusable and a claim for fire damage reinstatement was made under the Council's block insurance policy. This was accepted by the insurer's loss adjusters, provided that the Council could establish ownership of the property. Based on a schedule of works prepared by our Architectural Services, the cost of fire damage reinstatement applicable to the first floor premises is estimated to be around £21,000.
- 2.3** Further investigation by Legal, Administrative and Regulatory Services was unable to establish the owner of the premises and back court land and the QLTR was therefore contacted with a view to them accepting ownership. This would enable the Council to negotiate a purchase price with the QLTR to enable permanent repairs to proceed and protect the Council's interest in the ground floor shops.

- 2.4** Negotiations with the District Valuer, acting on behalf of the QLTR, resulted in a price of £30,000 being provisionally agreed for the premises, in their present condition, and back court land. Assuming the premises to be in good order, however the District Valuer placed a price of £50,000 on these subjects.
- 2.5** Accordingly, the QLTR has agreed to transfer the first floor premises and back court land to West Dunbartonshire Council on the following terms and conditions:-
- (a) the price to be £30,000 payable on a date of entry to be mutually agreed;
 - (b) the Council to be liable for the QLTR administration fee of £500, their legal fees and outlays of the transaction and District Valuer's fees of £650 plus VAT;
 - (c) in the event of a subsequent claim of ownership being established against the QLTR, the Council shall pay the QLTR the sum of £20,000, being the difference between the existing condition of the property and its market value of £50,000 as determined by the District Valuer; and
 - (d) in addition, the Council shall provide such funds to the QLTR as may be required to defend any legal proceedings arising from a claim of ownership failing which the QLTR shall be entitled to settle such proceedings as the QLTR shall consider appropriate and without recourse to the Council.

3. Main Issues

- 3.1** Whilst the premises and back court land remain outwith Council ownership the permanent repairs approved by the Council's insurers cannot be executed.
- 3.2** It is in the Council's interest to secure complete ownership of the property at 121/125 Main Street, Alexandria to protect its interest in the ground floor shops and the seven car park spaces within the back court land.
- 3.3** Upon completion of the permanent repairs, at no cost to the Council, the Council will have a property asset valued in the region of £50,000 for a capital expenditure of £30,000. As there is a current shortage of this type of accommodation in the central Alexandria area, the Housing Service is keen to take this property into the HRA. The HRA would pay for the purchase of the building.
- 3.4** It is current planning policy that residential use of the upper floors of the traditional two storey sandstone buildings within Main Street, Alexandria be encouraged.

4. People Implications

4.1 There are no people implications.

5. Financial Implications

5.1 The funding of the purchase and associated costs would come from the HRA.

5.2 Upon acquisition of the subjects and completion of the fire damage reinstatement works to the first floor premises, the Housing would be used as temporary accommodation and managed by the Homeless Service.

6. Risk Analysis

6.1 There is a risk of water damage to the ground floor shops at 121 and 123 Main Street, Alexandria if permanent roof repairs are not carried out over 125 Main Street.

6.2 Should the Council decline to purchase the premises and back court land the Council would then lose its right to these subjects, the back court area presently being a part of the public car park between Main Street and Bank Street. This would result in the loss of some seven car park spaces and potentially restrict access to the North most area as shown on the attached plan.

6.3 There is a minimal risk of a subsequent claim of ownership being lodged and upheld since investigations were undertaken by Legal, Administrative and Regulatory Services to establish the identity of the owner.

7. Equalities Impact

7.1 No significant issues were identified in a screening for potential equality impact in this report.

8. Conclusions and Recommendations

8.1 The purchase of the subjects at 125 Main Street, Alexandria will safeguard the Council's interest in the ground floor shops at 121 and 123 Main Street and the seven car park spaces within the public car park. The purchase of 125 Main Street would help the Housing Service to meet the temporary accommodation requirements in Central Alexandria.

8.2 It is recommended that:

- (a) the Executive Director of Housing, Environmental and Economic Development be authorised to purchase the vacant first floor premises and back court area at 125 Main Street, Alexandria for £30,000 from the HRA and transfer the property into the Council's Housing stock; and

- (b) the Head of Legal, Administrative and Regulatory Services be authorised to conclude the transaction subject to such legal conditions that are considered appropriate.

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Date: 10 January 2011

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Appendix: Plan of premises and back court land

Background Papers: Estates Section's Files

Wards Affected: 2