

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead, Regeneration

Infrastructure Regeneration and Economic Development Committee:

16 September 2020

Subject: Sale of 87/89 Bank Street, Alexandria G83 0LZ

1. Purpose

- 1.1** The purpose of this report is to update the Committee on the re-marketing of the property at 87/89 Bank Street, Alexandria. The report details the offers received and seeks Committee approval to conclude disposal of the property.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approve the disposal of the property at 87/89 Bank Street, Alexandria for a consideration of a gross purchase price of £130,000 (One hundred and thirty thousand pounds) to two individuals.
- (ii) Authorise the Strategic Lead, Regeneration to conclude negotiations.
- (iii) Authorise the Strategic Lead, Regulatory to conclude the transaction on such conditions as considered appropriate.

3. Background

- 3.1** Following receipt of Committee approval in November 2019 we engaged with the preferred party, Alternatives WD, to progress the disposal of the property.
- 3.3** Following receipt of their survey report, Alternatives WD, decided that the cost of upgrading and converting the property was more than they could afford and they withdrew their interest
- 3.4** The property was remarketed during January and February 2020, with a Closing date for best offers set on 28th February 2020.

4. Main Issues

- 4.1** The property is not required by the Council for any operational purpose and is therefore regarded as surplus.

- 4.2 Retention of the property will cost the Council in terms of security and utility charges in the short to medium term.
- 4.3 There is no certainty as to how long it would take to get the building let and income producing and there would be ongoing management time involved in this process.
- 4.4 The property was re-marketed during January and February 2020, sales particulars (Appendix 1) were uploaded onto various property websites, including the Council's own website. An e-mailing campaign was undertaken to a comprehensive list of property agents, developers, solicitors and property companies. Two "For Sale" signs were also erected at prominent positions on the front and side of the building. Finally, the availability of the property was circulated on Social media.
- 4.6 A Closing date was set for offers of Friday 28th February 2020 at which four offers were received ranging in value from £39,000 to £130,000. This compares with the previous offer received from Alternatives WD of £110,000.
- 4.7 The sale will result in a capital receipt for the Council of £130,000.
- 4.8 The highest offer is from two individuals who are local residents of West Dunbartonshire. They intend to renovate the second floor flat for residential use and to retain commercial uses on the ground and first floors. They already have a local business with five employees wanting to lease the first floor office this will assist in supporting local jobs within the area.

5. People Implications

- 5.1 There are no significant people implications other than the resources required by the Asset Management and Legal Services to conclude the proposed disposal.

6. Financial and Procurement Implications

- 6.1 The financial implications are that the Council will receive a capital receipt of £130,000 and will save on ongoing utility charges of approximately £1,000 per annum.
- 6.3 There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1 The offer conditional upon them receiving a satisfactory mortgage to assist with the funding of the purchase.
- 7.2 The uncertainty created by the coronavirus pandemic may influence the prospective buyers plans adversely.

7.3 There is clearly a risk that the purchasers do not proceed with the acquisition due to factors which may arise out of their due diligence or due to difficulties with obtaining funding.

7.3 If the preferred bidder did not proceed with the acquisition on the agreed terms, we would recommend that the property be re-marketed.

8. Environmental Sustainability

8.1 The Strategic Environmental Assessment legislation will be considered and taken into account as part of the planning application assessment

9 Equalities Impact Assessment (EIA)

9.1 An Equality Impact Screening did not indicate any further action required

10. Consultation

10.1 Consultations have been undertaken with Legal in relation to the proposed disposal.

10.2 Wider consultation will take place during the Planning Application process.

11. Strategic Assessment

11.1 By agreeing to this proposal the Council will assist in the provision of an exclusive required service solely for residents of West Dunbartonshire.

11.2 A prominent town centre building will be refurbished and brought back into beneficial use.

Jim McAloon

Strategic Lead, Regeneration

Date: 13 July 2020

Person to Contact:

Michelle Lynn, Assets Co-ordinator, Council Offices,
Bridge Street, Dumbarton, G82 1NT. T:01389 776992
Email: michelle.lynn@west-dunbarton.gov.uk

J David Johnston, Estates Surveyor, Bridge Street,
Dumbarton G82 1NT. T: 01389 737581
Email: david.johnston2@west-dunbarton.gov.uk

Appendices:

Appendix 1 – Marketing Details.

Background Papers: Report by Strategic Lead, Regeneration to Infrastructure, Regeneration and Economic Development Committee on 20 November 2019

Wards Affected: Ward 2