

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Infrastructure and Regeneration

**Infrastructure, Regeneration and Economic Development Committee:
18 June 2014**

Subject: Progress Report and updating of Property and Land Asset Disposal Strategy 2013 - 2018

1. Purpose

- 1.1** The purpose of this report is to update Committee, as agreed at Housing, Environment and Economic Development Committee on 13 February 2013, on the progress made with the Property and Land Disposal Strategy 2013 – 2018 which was approved by the Committee on 13 February 2013.
- 1.2** To streamline the disposal process, delegated authority is sought for the Executive Director of Infrastructure and Regeneration to declare properties surplus to requirements subject to having consulted with the other Executive Directors, and the Chief Executive.
- 1.3** Delegated authority is also sought for the Executive Director of Infrastructure and Regeneration to market, to lease or dispose of the surplus properties which are listed under Appendix 4.

2. Recommendations

- 2.1** It is recommended that Committee:
- (i) acknowledge the progress made in meeting the aims and objectives of the approved West Dunbartonshire Council Property and Land Asset Disposal Strategy 2013 – 2018 which is attached at Appendix 1;
 - (ii) note the contents of the updated Surplus Assets list and Action Plan at Appendix 2;
 - (iii) note the draft West Dunbartonshire Council Community Asset Transfer Policy 2014-2017 attached at Appendix 3 and note that officers from Asset Management will complete the internal and external consultation process and report back to Committee for the approval of the Policy at the next appropriate committee;
 - (iv) note that an annual Members' Briefing on progress for the Property and Land Asset Disposal Strategy 2013 – 2018 will be issued to Members from 2015-2016.

- (v) Delegate authority to the Executive Director of Infrastructure and Regeneration to market, to lease or dispose of the surplus properties listed under Appendix 4;
- (vi) Grant authority to the Executive Director of Infrastructure and Regeneration to declare properties surplus to requirements subject to having consulted with the other Executive Directors and the Chief Executive; and
- (vii) Authorise the Head of Legal, Democratic and Regulatory Services to amend the Scheme of Delegation in accordance with (vi) above and to conclude the transactions subject to such legal conditions that are considered appropriate.

3. Background

- 3.1** West Dunbartonshire Council holds each of its assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives.
- 3.2** The continued development of this Strategy will influence a more proactive approach in how surplus assets are considered and disposed of in the future.
- 3.3** At the Housing Environment and Economic Development Committee on 13 February 2013, the Committee approved the Property and Land Disposal Strategy 2013 – 2018. A copy of the Strategy is available as Appendix 1 to this report.
- 3.4** There are currently a number of properties within the Strategy which were the subject of previous Committee approvals where circumstances have now changed or which have become vacant or surplus to the Council's requirements. Those properties affected are listed at Appendix 4.

4. Main Issues

- 4.1** The Housing, Environment and Economic Development Committee approved the new Property and Land Asset Disposal Strategy 2013 – 2018 (the Strategy) at its meeting on 13 February 2013 and agreed an annual update report on progress and review of the disposal plan be presented. This is the first report.
- 4.2** The ultimate aim of the Strategy is to release property and land assets that have been declared surplus in a prioritised manner which supports the Council's objectives. The individual Property and Land assets that were disposed of during 2013/14 and which have currently been identified as surplus and could be surplus in the future are included at Appendix 2.
- 4.3** Surplus property and land assets should contribute to the economic well-

being of the area by, for example, increasing the supply of suitable houses in the area and / or assisting in reducing unemployment by making West Dunbartonshire an attractive place for business growth, employment creation and inward investment.

4.4 The role of the Asset Management Team, which sits within the Infrastructure, Regeneration and Economic Development Directorate is to challenge service departments to review their present and future property requirements and to strive continuously to ensure best value from the Councils property and land assets across each Service area. The approach within the Strategy divides the land and property assets into 3 main categories as being:

- **Strategic sites** - Sites that could bring significant Economic impact;
- **Rationalisation Programme** - Land and buildings that are to be disposed of as part of any Council Rationalisation programme; and
- **Commercial and Private** - Those with commercial and/or private benefit to interested parties.

An updated Surplus Assets List and Action Plan for these three categories is attached at Appendix 2.

4.5 Since approval of the Strategy, in terms of strategic sites which were identified therein, a report on the detail of each site in terms of technical issues has been completed. This report examined nine of the strategic sites identified in the Strategy and advised on various aspects of each asset and their potential redevelopment and marketability. The report concludes that the following strategic sites are marketable to private residential developers at this time:

- Balloch – Carrochan Road
- Clydebank – former Braidfield High School
- Clydebank – former St Eunan’s Primary School

4.6 It is therefore intended that Asset Management, in conjunction with the Regeneration team, will take forward the disposal process of the three sites highlighted in 4.5 above with immediate effect with a view to concluding a sale as soon as practical in 2014/2015. Presently, the Council holds site investigation information in the form of a Geotechnical and Environmental Feasibility study for the former St Eunan’s Primary School. Similar reports require to be instructed for the other two sites.

4.7 For the remaining six identified strategic sites, it is envisaged that the disposal process for these be taken forward from 2015 onwards. The view taken internally is that these remaining sites appear to have a more favourable

outlook for Social Housing use or, in the case of both Crosslet House, Dumbarton, which has been identified for a new Council owned care home, and the former ATC, Auchentoshan, as care home sites. Whilst each of the sites has engineering issues to address, these appear to be generally manageable in a conventional manner, although potential impacts through abnormal costs have been identified which require further investigation.

4.8 The Council's Regeneration and Asset Management teams therefore consider it important to establish the ground conditions in each of the sites as this has a significant bearing on potential capital receipts. A phase of re-assessment will be undertaken following a review of site investigations. Of the six sites, the Council currently hold detailed site investigation information in respect of the following:

- Dumbarton - land surrounding Crosslet House, Argyll Avenue
- Jamestown - Levenbank Road/Milton Loan
- Clydebank - former St Andrew's High School

In order to assist the disposal process as recommended, it is therefore intended, where appropriate, to also commission detailed site investigation studies for the following:

- Bonhill - former Bonhill Primary School
- Alexandria - Heather Avenue
- Clydebank - former ATC, Auchentoshan Estate, Mountblow Road

In addition, consideration will also be given to the possibility of obtaining Outline Planning Consent and/or undertake technical works for the sites where appropriate.

4.9 Within the 'Delivering New Housing in West Dunbartonshire - Strategic Housing Partnership' report approved by the Housing, Environment and Economic Development Committee at its meeting on 7 May 2014, the former Bonhill Primary School and the 3 former Clydebank School sites were identified as housing development projects (via the Council's SHIP scheme) to be taken forward with a strategic housing partner to possibly deliver the social rented units on part of the sites which currently sit within the general fund.

4.10 Committee should be aware that in the event of any development highlighted at 4.9 being taken forward, this may have an adverse impact on capital receipts which might be obtained for sale of the sites in the open market. Any

resultant reduction in receipt will be dependent on the ratio of private housing to social rented delivered. As referred to in 4.5 above, it is considered that at least two of the former Clydebank school sites are marketable to private residential developers at this time. Any contribution of land at these locations for social housing purposes may therefore result in potential capital receipts to the Council being less than if they were all sold for private house sales. The Asset Management Team, together with the Regeneration and Housing staff will work closely with the Strategic Housing Partner to identify the most advantageous and Best Value use for each of these sites.

External Influences

- 4.11** Within the approved Strategy, a variety of 'External Influences' such as the Scottish Futures Trust, the Community Empowerment and Renewals Bill and Private Sector Developers were identified. The Asset Management team will continue to monitor this landscape and, where appropriate, update the Strategy to reflect emerging best practice, altered priorities, changing market conditions and any new statutory obligations including relevant legislation. Specific comment and update on these influences is provided in paragraphs 4.12 to 4.17 inclusive, below.
- 4.12** A Place Review was facilitated by The Scottish Futures Trust during 2013 with local partners to establish whether there were any synergies between partners for property sharing. It was established that the only public sector organisation which could benefit from a continued dialogue and/or co-location was Police Scotland. Discussions are continuing in relation to their ongoing commitment to share office accommodation as and when the Council commits to a new office building in Dumbarton.

Community Asset Transfer

- 4.13** In terms of the Council's response and action plan in respect of the Scottish Government's Community Empowerment (Scotland) Bill, good progress has been made. A draft asset transfer policy has been developed and is now presented to Committee for noting. A period of consultation will be undertaken by the Asset Management and Community Planning Partnership Teams with local community groups and agencies regarding potential asset transfers. The resultant Policy following this consultation process will be brought to the next appropriate committee for approval before the end of the fiscal year. The draft Community Asset Transfer Policy 2014-2017 is attached at Appendix 3.
- 4.14** It is envisaged that following Committee approval of this Policy, detailed consultation, in particular involving officers of Asset Management and Community Planning, will be undertaken in respect of the procedures involved

with said Policy. It is intended that officers report back to Committee in due course for approval of the procedures involved in disposing of Council owned assets to third sector organisations.

- 4.15** The Asset Management team, as part of its marketing initiatives for surplus sites identified in 4.5, would intend to engage with private sector developers and the Strategic Housing Partner to ensure that they are all fully aware of the release of the Councils surplus assets to the market and ensure the best possible lease or sale of the assets to contribute to the economic development and regeneration aspirations of the Council.

Carbon Management Plan

- 4.16** The Council is currently producing its second Carbon Management Plan. This second CMP has a wider scope and improved methodology to enable the Council to effectively manage its carbon emissions. The second CMP will include carbon and cost projections, a carbon emissions reduction target and supporting project register up to 2020.

External Funding

- 4.17** The Asset Management team in collaboration with the Regeneration team will continue to explore alternative public and private sector methods of funding development opportunities including Joint European Support for Sustainable Investment in City Areas (JESSICA) and European funds.

Disposal of Existing Surplus Properties

- 4.18** As mentioned in 3.4 above, there are a number of properties where circumstances have now changed and those affected are listed at Appendix 4.
- 4.19** It is therefore proposed that Authority is delegated to the Executive Director of Infrastructure and Regeneration to market, to lease or dispose of the surplus properties listed under Appendix 4.

The Disposal of Land by Local Authorities (Scotland) Regulations 2010

- 4.20** Based on previous experience it is likely that there will be interest in some of the properties from community groups and proposals seeking to acquire at less than Market Value can be expected.
- 4.21** The Disposal of Land by Local Authorities (Scotland) Regulations 2010 came into effect from 1 June 2010. The Regulations make it clear that where it is proposed to sell or lease assets at less than Market Value a full audit trail including cost / benefit analysis and option appraisal is required. This is

required to compare proposals received assessing how each will contribute to economic development, regeneration, health and social or environmental wellbeing.

Delegated Authority

- 4.22** In order to streamline the disposal process it is proposed to delegate authority to the Executive Director of Infrastructure and Regeneration to declare properties surplus to requirements. This will enable properties that are no longer in use by the Council to move quicker through to the marketing process and avoid delay and costs to the Council while the properties are vacant. To ensure that all other potential operational uses of the properties are considered the other Executive Directors and the Chief Executive will be consulted prior to the properties being declared surplus.

5. People Implications

- 5.1** In respect of the Strategy, there are no significant people implications from this report other than the resources required by various services that are involved in the delivery of the Strategy.
- 5.2** From the regulations and guidelines it is apparent that when disposals at less than Market Value are proposed it can be a complex process which requires careful consideration of the costs and benefits many of which may be of a non-financial nature. Representatives from Estates, Legal, Finance, Economic Development and other Departments may be required to undertake the option appraisal process if offers at less than market value are received. Thereafter resources from Estates and Legal Services will be required to conclude any lease or disposal.

6. Financial Implications

- 6.1** The Strategy, particularly in relation to the proposed activity within key strategic sites as listed in 4.5 and 4.7 above, relies on access to the recurring capital funding for economic regeneration. Any financial implications will be considered on an asset by asset basis when they are reported to the appropriate committee. Asset Management will continue to liaise with Finance in relation to expected asset disposal values on an annual basis.
- 6.2** Disposal of surplus assets at Market Value would generate additional capital receipts for the Council. Any disposal at less than Market Value would have a direct impact on the Council's finances. There could also be an increase in receipts from properties that had previously been approved for disposal at less than market value

7. Risk Analysis

- 7.1** In respect of the Strategy itself, it was not necessary to carry out a risk assessment on the proposal contained within the original report nor for this

update. Any risk assessment will be undertaken on an asset by asset basis when reporting to the appropriate committee.

- 7.2** When considered in isolation, there are a variety of risks from each of the proposed disposals identified at Appendix 4. The main risks are that the proposed disposals may not be concluded as has been shown in previous cases or that there may be a challenge from a third party. These risks will be mitigated by following a clear option appraisal process with input from relevant sections within the Council.
- 7.3** There is a risk that disposals may not conclude or will conclude at price levels less than anticipated due to difficult market conditions.

8. Equalities Impact Assessment (EIA)

- 8.1** An equalities screening in terms of the Property and Land Disposal Strategy 2013 – 2018 was previously undertaken to determine if there is an equalities impact and it was found that there is no equalities impact at that time. This position has not changed. Individual EIA's will be completed on an asset by asset basis when reported to the appropriate committee.
- 8.2** A further equalities screening has been undertaken in respect of the new Community Asset Transfer Policy 2014-2017 referred to at 4.14 and attached at Appendix 3. No negative implications were identified at this stage. The Policy and Procedures to follow thereafter are 'in development' and will be subject to ongoing impact assessment.
- 8.3** The sale or lease of each property listed under Appendix 4 will have individual circumstances and accordingly will require an equalities screening to be completed in each case. Previously an Equalities Impact Assessment was completed in relation to the proposed disposal of the Renton EECC and this will require to be refreshed as part of this process. It is envisaged that the EIA will form part of the option appraisal process and where required the Policy Officer (Equality) will be requested to join the appraisal team.

9. Consultation

- 9.1** Consultation in terms of the Property and Land Disposal Strategy 2013 – 2018 and the draft West Dunbartonshire Council Community Asset Transfer Policy 2014-2017 has been undertaken and will continue between officers of Regeneration, Community Planning and Asset Management. Further consultation will take place with the local community, Community Planning, Forward Planning and Consultancy Services during the delivery of the Strategy.
- 9.2** In respect of the proposed disposals at Appendix 4, the relevant Sections of the Council have been consulted including Legal Services and Finance.

10. Strategic Assessment

- 10.1** Having considered the Council's strategic priorities, the Property and Land Disposal Strategy 2013 – 2018 as implemented will contribute to improving growth and employment; improve local housing and environmental sustainable infrastructure; and improve the well-being of communities.
- 10.2** In respect of the properties listed at Appendix 4, the option appraisal process will take account of the Council's five main strategic priorities when assessing the costs and benefits of any offers that are submitted for the property. It is anticipated that the proposed disposals will lead to improved economic growth and employability from utilising the surplus properties and in some cases developing new properties. There will also be opportunities to improve local housing from the sites that are suitable for small residential developments. Finally there will be a number of opportunities for local communities to become involved in providing services from the properties which will improve well-being and empowerment within the local area.

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Date: 9 May 2014

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- Appendices:** Appendix 1 - Property and Land Asset Disposal Strategy 2013 - 2018
- Appendix 2 - Surplus Assets List and Action Plan
- Appendix 3 - Community Asset Transfer Policy 2014-2017
- Appendix 4 - Existing Surplus Properties
- Background Papers:** Report by the Executive Director of Infrastructure and Regeneration to Housing, Environment and Economic Development Committee on 7 May 2014: Delivering New Housing in West Dunbartonshire - Strategic Housing Partnership.

Wards Affected: All