

# WEST DUNBARTONSHIRE COUNCIL

## Report by the Strategic Lead, Regeneration

### Infrastructure, Regeneration and Economic Development Committee:

20 November 2019

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**Subject: Sale of former Our Lady & St Patrick's High School, Hawthornhill Road, Dumbarton, G82 5JN**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise Committee on the outcome of the marketing of the former Our Lady & St Patrick's High School, Hawthornhill Road, Dumbarton, G82 5JN. The report details the offer received and seeks Committee approval to conclude disposal of the site.

#### **2. Recommendations**

- 2.1** It is recommended that the Committee:

- (i) Approve the disposal of the former Our Lady & St Patrick's High School, Hawthornhill Road, Dumbarton for a consideration of £3,205,569 (Three Million Two Hundred and Five Thousand Five Hundred and Sixty Nine) to Persimmon Homes Limited.
- (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** The former Our Lady & St Patrick's High School is shown outlined in the attached plan (Appendix 1) with the area being marketed shown outlines in attached plan (Appendix 2).
- 3.2** Our Lady & St Patrick's High School relocated in October 2017 and the site was declared to be surplus following the implementation of the project and to be marketed for sale.
- 3.3** Following the property being vacated a demolition programme was undertaken following a tender process which was conducted in accordance with the Procurement Reform (Scotland) Act 2014 and Council's Standing Orders and Financial Regulations relating to Contracts. This demolition programme completed in January, 2019.

#### **4. Main Issues**

- 4.1** A marketing campaign was commenced by our nominated agent and a

closing date being set of 3 October, 2019.

- 4.2** The site was extensively marketed; sales particulars (Appendix 3) were uploaded onto various property websites, including the Council's own website. Regular e-mailing's were undertaken to our nominated agent's comprehensive list of property agents, developers, housing associations and property companies. A "For Sale" sign was also erected at a prominent location on site.
- 4.3** At the closing date, thirteen offers were received from eleven developers with the highest £3,205,569 (Three Million Two Hundred and Five Thousand Five Hundred and Sixty Nine) from Persimmon Homes Limited being recommended for acceptance.
- 4.4** One offer was rejected on the basis that it the payment was linked to stage payments and therefore not evaluated as offers were not invited on this basis.
- 4.5** Within the Local Development Plan Proposed Plan 2018 the site is identified as H2(23) which has a capacity for 100 private residential units, with 75 being delivered between 2017 and 2024 and 25 post 2024.
- 4.6** Persimmon Homes is the UK's biggest house builder and are seeking to establish a new outlet in West Dunbartonshire and have previously undertaken a number of schemes within West Dunbartonshire and are therefore well aware of the Council's planning and other statutory requirements.
- 4.7** Persimmon Homes propose a scheme of 71 two and three bed terrace, semi and detached homes and is detailed in the attached layout plan (Appendix 4).
- 4.8** Persimmon Homes will require to carry out a more detailed site investigation to quantify the abnormal costs for this site.
- 4.9** West Dunbartonshire Council will look to impose an overage payment to the Council in the event that Persimmon Homes Limited obtain planning consent for a scheme in excess of that currently proposed and also seek to impose a clawback provision in the unlikely event that they sell the site to another developer for any increase in value above that paid to West Dunbartonshire Council.
- 4.10** The site was marketed on the basis to retain the all weather pitch at its present location as new capital investment award was made at Council meeting on 22 February 2017 to build a new changing facility to service the pitch. For noting a number of developers submitted offers for the whole of the site including the all weather pitch and in the case of the preferred developer Persimmon Homes this would have generated an additional capital receipt of £1,790,000 (One Million Seven Hundred and Ninety Thousand Pounds).

## **5. People Implications**

- 5.1** Other than the Officers time involved in concluding the proposed deal there are no People implications.

## **6. Financial and Procurement Implications**

- 6.1** The financial implications of the proposed sale is a capital receipt to the Council of £3,205,569 minus abnormal costs to be agreed.
- 6.2** Construction of 71 units as indicated by Persimmon Homes would generate a minimum income in the region of £129,351 per annum for both Council Tax based on Band E rating. This income stream cannot obviously be guaranteed and this is an indicative figure and would be dependent on all units being sold and planning permission being achieved. The income stream could also be varied depending on whether purchasers were currently living within the Council area or new to the area.
- 6.3** There are no procurement implications arising from this report.

## **7. Risk Analysis**

- 7.1** The offer from Persimmon Homes Ltd is conditional upon various suspensive conditions and a time limit of 4 months from conclusion of missives to enable all technical due diligence and commence Planning Application will be imposed.
- 7.2** The main risk associated with the disposal of the site is that the transaction may not conclude for a variety of reasons including planning, ground conditions and abnormal. In that case, the Council will require to remarket the site for sale.

## **8. Environmental Sustainability**

- 8.1** The sites will continue in their existing industrial use and any future development of the sites will require that SEA legislation will be considered and taken into account as part of any planning application assessment.

## **9. Equalities Impact Assessment (EIA)**

- 9.1** An Equality Impact Screening did not indicate any further action required in relation to this transaction.

## **10. Consultation**

- 10.1** Consultations have been undertaken with Finance and Regulatory however wider consultation will take place during any Planning Application process.

## **11. Strategic Assessment**

**11.1** By agreeing to this sale the Council will realise a capital receipt whilst delivering on the wider rationalisation strategy for the Council.

### **Jim McAloon**

Strategic Lead, Regeneration

Date: 11 November 2019

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**Appendices:** Appendix 1 – Site Layout  
Appendix 2 – Site Layout (excluding pitch area)  
Appendix 2 – Schedule of Particulars  
Appendix 3 – Persimmon Homes Site Layout Plan

**Background Papers:** Report to Council, 22 February 2017  
  
Report to Infrastructure and Regeneration and Economic  
Committee, 29 March 2018

**Wards Affected:** Ward 3