

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead, Regeneration

**Infrastructure Regeneration and Economic Development Committee:
20 November 2019**

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

1. Purpose

1.1 The purpose of this report is to advise the Committee on the outcome of the 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 £110,100 (One hundred and ten thousand pounds) to Alternatives WD.
- (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 property was previously leased by the Council for commercial office uses. The upper floors have been vacant since March 2016 and the lease on the ground floor ended in April 2019.

3.2 The property is in reasonable condition but would require upgrading to put it into a serviceable condition which would allow it to be re-let on commercial terms.

3.3 The property is no longer required by the Council for operational purposes.

3.4 The options are for the Council to upgrade the building and try to re-let or to dispose of the building. There is no strategic reason to retain ownership of this building and accordingly it was decided to market the property For Sale.

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 marketed between June and August 2019, 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 Tuesday Wednesday 27 August 2019 at which three offers were received ranging in value from £35,000 to £110,000.
- 4.7 The sale will result in a capital receipt for the Council of £110,000.
- 4.8 The highest offer is Alternatives WD a registered charity who intend to fully refurbish the building and convert it into a 6/7 bedroom residential unit for supported accommodation with live in staff. They intend to use the ground floor for a meeting room and office space.
- 4.9 Alternatives WD are a community based organisation providing safe accommodation and an intensive recovery programme for people affected by drug addiction. Their intention would be to completely refurbish the building in line with the policy on homes of multiple occupations. They intend converting the property to provide a 6/7 bedroom facility on the upper floors which will accommodate both entrants and in-house staff. On the ground floor they will provide a group meeting room and office space.

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 £110,000 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 from Alternatives WD is conditional upon them receiving a satisfactory survey report and valuation. It is also conditional upon them obtaining planning permission for a change of use. A time limit of 6 months will be imposed for change of use to be applied for and granted.

7.2 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 into beneficial use for the benefit of the community.

Jim McAloon

Strategic Lead, Regeneration

Date: 28 October 2019

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Appendices: Appendix 1 – Schedule of Particulars

Background Papers: None

Wards Affected: Ward 2