

WEST DUNBARTONSHIRE COUNCIL

Report by the Acting Executive Director of Housing, Environmental and Economic Development (Housing and Regeneration Services)

Council: 28 November 2007

Subject: First and second floor Glencairn House, 95 High Street, Dumbarton

1. Purpose

- 1.1** To update members on developments in respect of the proposed lease of the first and second floor, Glencairn House, 95 High Street, Dumbarton and to seek a decision on a way ahead.

2. Background

- 2.1** At the Housing, Environment and Economic Development Committee on 7 November 2007, a report was considered concerning the above. The report which is attached as an appendix set out options in respect of the proposed lease of the first and second floors of this property.
- 2.2** While noting an interest which had been expressed in letting one floor by the Richmond Fellowship, the report recommended that the Committee agrees to lease the upper two floors of Glencairn House, 95 High Street, Dumbarton to the Tulloch Trust at a rent of £5,000 p.a. based upon a full repairing and ensuring lease. It was noted that this proposal would require to be referred for approval to the Scottish Government because the proposed rental level was below the assessed market value of £10,000 p.a.
- 2.3** The Committee heard that the Tulloch Trust proposed to invest up to £30,000 in repair and upgrading of the property to make it suitable for their needs. It was also reported that officers had been advised that the Tulloch Trust proposed to make an application to an appropriate source for funding in respect of the £30,000 but would not be in a position to confirm that these funds had been received until February 2008.
- 2.4** Having heard this update from Officers, the Committee determined to continue the matter until a future meeting of the HEED Committee.
- #### **3. Main Issues**
- 3.1** On reporting the Committee's decision to the Tulloch Trust, it has subsequently been confirmed that the Tulloch Trust will be obliged to vacate their current premises in December 2007. The property which

they presently occupy will be demolished by its owners, Cube Housing Association. Tulloch Trust have identified no other option than to move into Glencairn House and in the event that the Council agreed to lease them the property, they would move in immediately and carry out any upgrading or repair works subsequent to moving in.

3.2 For this reason it has been determined that it is necessary to refer the matter to the Council meeting for decision.

3.3 As advised in the report to the Housing, Environment and Economic Development Committee of the 7 November 2007, the ground floor of this property is occupied by the Dumbarton Credit Union. The Credit Union's lease was issued on the basis of a term of one year renewable thereafter and it is proposed to offer a similar lease to the Tulloch Trust with respect to the period of occupation.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 As previously reported to the Committee, the assessed market rent of the property is £10,000 p.a. An alternative bidder, The Richmond Fellowship, is in a position to pay the market rent for one floor only. The Tulloch Trust seek to rent the property at a peppercorn rent with a consequential loss of potential income of £10,000 p.a. to the Council. The Tulloch Trust justify the proposed peppercorn rent by indicating the state of upgrading that the property would require to meet their needs.

6. Risk Analysis

6.1 In the event that the property remains unoccupied for a further period of time, there is a risk of deterioration to the fabric.

7. Conclusion

7.1 Having regard to the above and the content of the report to the Housing, Environment and Economic Development Committee of 7 November 2007 attached as an appendix to this report, it is concluded that the Council should determine forthwith to lease this property to the Tulloch Trust. The Tulloch Trust seek to lease the property at peppercorn rent but for the reasons set out in the report to the Housing, Environment and Economic Development on the 7 November 2007 it is proposed that the trust should pay at least 50% rent of £5,000 p.a. noting that this would still be below the assessed market level and require the consent of the Scottish Government.

8. Recommendation

8.1 The Council agrees to lease the upper two floors of Glencairn House, 95 High Street, Dumbarton to the Tulloch Trust at a rent of £5,000 p.a., based on upon a full repairing and ensuring lease.

8.2 That this proposal be referred for approval for the Scottish Government.

Irving Hodgson

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Date: 17th October 2007

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Appendix: 1. Report to the Housing, Environment and Economic Development Committee of 7 November 2007

Background Papers: None

Wards affected: 3