

WEST DUNBARTONSHIRE COUNCIL

Report by the Strategic Lead, Regeneration

Infrastructure, Regeneration and Economic Development Committee:

20 November 2019

Subject: Sale of former Council Offices, Garshake Road, Dumbarton, G82 9SX

1. Purpose

- 1.1** The purpose of this report is to advise the Committee on the outcome of the marketing of the former Council Offices, Garshake Road, Dumbarton. 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 Council Offices, Roseberry Place, Clydebank for a consideration of £6,055,000 (Six Million Fifty Five Thousand Pounds) to Miller 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 site for disposal is the former Council Offices Roseberry Place at Garshake Road, Dumbarton, G82 9SX (Appendix 1).
- 3.2** As part of the office rationalisation business case approved at Council on 25 June, 2014 the site was declared to be surplus following the implementation of the project and to be marketed for sale.
- 3.3** The property was vacated in June 2017 and currently undergoing a demolition programme 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 is due to complete 29 November, 2019.

4. Main Issues

- 4.1** A marketing campaign was commenced by our nominated agent and a closing date being set of 19 September, 2019.

- 4.2** The site was extensively marketed; sales particulars (Appendix 2) 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, four compliant offers to purchase were received from developers with the highest £6,055,000 (Six Million and Fifty Five Thousand Pounds) being recommended for acceptance.
- 4.4** One other offer was rejected on the basis that 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(19) which has a capacity for 100 private residential units, with 75 being delivered between 2017 and 2024 and 25 post 2024.
- 4.6** Miller Homes, a medium sized house builder, has submitted the higher of the four compliant offers. They are a well established and successful house builder who have undertaken a number of schemes within West Dunbartonshire and are therefore well aware of the Council's planning and other statutory requirements.
- 4.7** Miller Homes propose a scheme of 86 private dwelling units being a mix of 3 and 4 bedroom family homes covering a 6.32 acres of net developable acreage as detailed in the attached layout plan (Appendix 3).
- 4.8** Miller Homes have reflected in their offer soft abnormal costs based on the information supplied by the Council but this will be subject to a more detailed site investigation.
- 4.9** Miller Homes will pay a deposit of £200,000 (Two Hundred Thousand Pounds) upon conclusion of missives which will be refundable in the event the seller defaults on its obligations. This substantial deposit clearly demonstrates their commitment to the site.
- 4.10** West Dunbartonshire Council will look to impose an overage payment to the Council in the event that Miller 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.

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 £6,055,000 minus abnormal costs to be agreed.
- 6.2** Construction of 86 units as indicated by Miller Homes would generate a minimum income in the region of £156,679 per annum for both Council Tax based on Band E rating. This income stream cannot obviously be guaranteed and would be dependent on all units being sold and planning permission being achieved. We have had no indicative layout plan by the purchaser and therefore this is at this stage an anticipated figure. 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 Miller 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

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

Appendices: Appendix 1 – Site Layout
Appendix 2 – Schedule of Particulars
Appendix 3 - Miller Homes Site Layout Plan

Background Papers: Report by the Executive Director of infrastructure and
Regeneration to Council: 24 June 2014.

Wards Affected: Ward 3