

WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead, Regeneration

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

Subject: Sale of Site at 95 North Street, Alexandria G83 0EB

1. Purpose

- 1.1** The purpose of this report is to recommend to the Committee the surrender of the existing ground lease and sale of the above site to the sitting tenant . The report details the sale price provisionally agreed and seeks Committee approval to conclude disposal of the property.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approve the renunciation of the existing lease to Mr and Mrs Grace over the site.
- (ii) Approve the disposal of the property at 95 North Street, Alexandria for a consideration of a gross purchase price of £17,000 (Seventeen Thousand Pounds
- (iii) Authorise the Strategic Lead, Regeneration to conclude negotiations.
- (iv) Authorise the Strategic Lead, Regulatory to conclude the transaction on such conditions as considered appropriate.

3. Background

- 3.1** The property is currently leased to Mr & Mrs Grace trading as Grace Autos on a lease until 30th November 2039, the current passing rent is £1,000 per annum. Mr & Mrs Grace have occupied the property since 1989.
- 3.2** The current lease is for the site only excluding any buildings. This is the basis on which the rent is reviewed . This arrangement dissuades the tenant from investing in the buildings on the site as ultimately these will revert to the Council on expiry of the lease.
- 3.3** Mr Grace wishes to buy the site from the Council in order that he can upgrade the existing building and generally improve the property.

4. Main Issues

- 4.1 The property is not required by the Council for any operational purposes.
- 4.2 The current arrangement means the existing building on site is likely to remain in a poor condition.
- 4.3 By selling the site , the Council extinguishes the possibility of a longer term redevelopment of the area. However, the existing lease endures until 2039 and the Council does not own all of the surrounding sites.
- 4.4 The sale will result in a capital receipt for the Council of £17,000.

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 £17,000 but will lose out on the rental income of £1,000pa over the remaining terms of the lease.

7. Risk Analysis

- 7.1 There is 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 purchaser did not proceed with the acquisition on the agreed terms, the existing lease arrangement would continue.

8. Environmental Sustainability

- 8.1 The site will continue to be used for its existing use therefore there is no change in terms of environmental impact.

9. Equalities Impact Assessment (EIA)

- 9.1 An Equality Impact Assessment is not applicable.

10. Consultation

- 10.1 Consultations have been undertaken with Legal in relation to the proposed disposal.

11. Strategic Assessment

11.1 By agreeing to this proposal the Council will benefit in terms of a capital receipt.

11.2 We believe the sale of the site to the long term tenant will allow them to invest in the property in the knowledge that they have ownership.

Jim McAloon

Strategic Lead, Regeneration

Date: 29 October 2019

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Appendices: Appendix 1 – Schedule of Particulars

Background Papers: None

Wards Affected: Ward 2