

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide members with an update on the development and sale of properties in the Helensburgh and Lomond Area.

RECOMMENDATIONS

1.2 That members consider and note the position as outlined in respect of the various properties.

2.0 INTRODUCTION

- 2.1 The purpose of this report is to provide members with an update on the development and sale of properties in the Helensburgh and Lomond Area.

3.0 RECOMMENDATIONS

- 3.1 That members consider and note the position as outlined in respect of the various properties.

4.0 DETAIL**Blairvadach, Shandon by Helensburgh – Offers under consideration**

- 1.1 Blairvadach is a large former Council Office building with substantial estate grounds. The property is allocated for Housing for 115 units and has been marketed as a development opportunity for over a year by selling agents Ballantynes. Interest from housebuilders has been relatively low during this period. In speaking to the industry, they have cited the following factors as to why interest is low: high development costs associated with topography & listed building; burn crossing; West Dunbartonshire unit proximity; tree protection; requirement for 25% affordable housing; uncertainty over HMNB Clyde future; falling house prices in area; main housebuilders already have more deliverable sites in Helensburgh & Lomond. The building has featured in 'The Mail on Sunday' as building of the week and was advertised in the publication Commercial Property Monthly (May 2017).
- 1.2 A closing date for the sale of the property was set for 4th August 2017 and offers / expressions of interest were received that are being considered in liaison with the Council's selling agent.
- 1.3 The property is fairly challenging to develop due to the sloping topography, the presence of the listed building and large number of units involved together with potential phased delivery. This is reflected in the offers that have been received which require analysis in terms of the deliverability of scheme, capital receipt, certainty and phasing of payments. It is likely that any sale shall be predicated on achieving planning permission and other consents which shall take several months to conclude. Film Company also wish to lease Blairvadach for 5 months in May 2018 to Film TV Series. Have met onsite and awaiting proposal.

Former Hermitage Academy, Colgrain – Under Offer

- 1.4 Part of the site has already been disposed and construction of over 50 dwellings and flats by Dunbritton Housing Association has been completed. The remainder of the site is under offer with a recognised national housebuilder, Taylor Wimpey, following a competitive bidding process. The site is allocated for 109 homes in the Local Development Plan. A planning application by Taylor Wimpey, for the construction of 95 homes at the site was approved in November 2016 and marketing information relating to their development 'Hermitage Grange' appears on their website alongside the opportunity to express interest in buying a home.
- 1.5 A meeting took place between the Council and Taylor Wimpey in early August and technical discussions are now moving forward in a positive manner. A final position and conclusion of sale is now expected in the coming weeks.

52 + 52A Sinclair Street – Under Offer

- 1.6 The premises at 52A Sinclair Street are currently under lease to Gordons Chemist. Originally they requested to purchase this shop and the office next door at 52 Sinclair Street to allow them greater storage facilities. Gordons have now requested a new lease of 52A/52 Sinclair Street instead.
- 1.7 Gordons have been permitted a temporary licence to occupy number 52 and are currently using this part of the building for business storage. A new lease is currently being prepared to include 52 and 52A.
- 1.8 Missives are at a progressed stage and both parties have expressed a desire to conclude a contract as soon as possible. That is predicated on the purchaser producing a schedule of works to the fire hose tower that forms part of the subjects forming No. 52A and common repair works across the whole property. The schedule of works is to be agreed by the Council and is expected from the purchaser shortly for review.

1 East Princes Street / 48,50 Sinclair Street (former Municipal Buildings) – Under Offer

- 1.9 The property is currently under offer with Peckham's. All contractual matters are now understood to have been addressed to mutual satisfaction. The offer from Peckham's is subject to the purchaser obtaining a liquor licence, planning permission, and building warrant. In regard to the liquor licence, they have been granted a provisional licence at the April 2017 Licensing Board. Whilst a licence confirmation (full licence) has not yet been applied for this is a delegated matter and can be processed in a matter of days. Planning permission was also granted in November 2016. The building warrant is the only outstanding matter and we have confirmed that Peckham's take possession of the building 28 days after issue of the warrant.
- 1.10 The building warrant is progressing and there has been a partial submission of drawings, however, further details are still awaited from the purchaser to allow consultation with the Scottish Fire and Rescue Service. Peckham's have had specialist fire and building engineers assessing the

building in July and August and we are expecting the completion of their building warrant submission by end of September. We will continue to liaise closely with the purchaser in regard to completion by them of the building warrant process.

Scotcourt House – Under Offer (missives concluded)

- 1.11 Scotcourt House is former Council office premises located at 45 West Princes Street & 31 James Street, Helensburgh. The property comprises the ground floor office premises within a 3 storey building with 2 floors of residential flats above that are not owned by the Council and not subject of this proposed sale. The building has two frontages onto West Princes Street and onto James Street respectively. The offices extend throughout the whole of the ground floor and can be either occupied as a whole or two separate suites of offices with a shared toilet and rest room. There is no car parking.
- 1.12 The property was originally marketed in 2015 without success and was re-marketed in 2016.
- 1.13 The successful bid to purchase the property was made by a local business to support their growth. A completion date was originally set for late April 2017 however at that time water ingress was identified by the prospective purchaser and Council staff. This has led to further investigation and assessment work with the building factor and calling upon insurers as the source of the water ingress was unclear. Works to rectify the water damage and fix the ingress have now been agreed and the purchasers have proposed a completion date of 20th September 2017. There is close and positive liaison with the purchaser and an earlier completion / entry date could be achieved.

Unit 1 Ferry Road Rosneath – Under Offer

- 1.14 The sale of Unit 1 is progressing. A number of matters have been addressed with the purchaser. The Council considers there to be no impediment to the sale of Unit 1 to the current occupier.
- 1.15 Estates are liaising with Governance and Law to take steps to ensure that the sale is brought to an early conclusion. In the event that the purchase is not progressed timeously by the purchaser consideration will be given to withdrawing from the transaction.
- 1.16 Property Development and Estates are pursuing the removal of the storage container situated in the rear car park and partially used by the occupant of Unit 1.

Unit 2 Ferry Road Rosneath – SOLD

- 1.17 The sale is progressing. Missives have been concluded with the prospective purchasers and an entry date and completion have been agreed for 6 September 2017. This property is now sold.

Former Marriage Rooms, 25 West King Street – Under Offer

- 1.18 The subjects were previously marketed in 2015. A number of bids were made for this property with the successful offer being made by a local care company.
- 1.19 Formal correspondence was issued by Legal Services to the prospective purchaser in the latter part of 2016 and there was subsequent correspondence on a number of preliminary points. Missives have not yet been concluded. Notably planning permission, on which the sale is conditional, has not been submitted and the purchaser has only recently commenced enquiries with planning in that regard. Despite several prompts, over a number of months, the prospective purchaser has still not submitted a planning application to progress the sale. A letter has been recently received (13th September 2017) from the purchasers solicitor stating that they are committed to the sale.
- 1.20 Estates are liaising with Governance and Law to require the purchaser to complete the purchase. Should this fail the purchaser will be advised that negotiations are at an end and the property would then be remarketed.

Hermitage Park Depot, Sinclair Street – For Sale

- 1.21 This amenity services depot and associated workshop, cottage and greenhouse adjacent to Hermitage Park was vacated earlier this year by operational staff and has been declared surplus to operational requirements. The site is fully marketed on the Council's website and 'For Sale' signs have been erected on the site.
- 1.22 We have already received some 21 enquiries, confirmed several viewings and sent out schedules / particulars to parties from a wide interest range. Site particulars note that the site may be suitable for a commercial or residential development with vehicle access off Sinclair Street.
- 1.23 The site has been marketed in Commercial Property monthly in May 2017 and discussions are ongoing with an adjacent landowner in terms of a mutual right of access which we seek to conclude prior to any closing date being set.

Old School House (Rainbow Centre), School Road, Kilcreggan – SOLD

- 1.24 Missives have recently been concluded with the purchaser and an entry date has been agreed for the 15th September 2017. Property is now sold.

1 West Clyde Street, Former Mariners Public House Site - Purchase

- 4.24 The former Mariners site sits on the corner of the Helensburgh Pierhead site and is currently owned by Sainsbury's. It is currently used as unmanaged parking. Following discussions with Sainsbury's they confirmed they were looking to divest their property portfolio of a number of sites including the former Mariners site.
- 4.25 On 17 August 2017 the Policy and Resources Committee agreed to engage with Sainsbury's again and set a maximum price for Officers to try and secure the site to allow maximum flexibility in progressing the construction phase and the final design of the Helensburgh Waterfront and removing the risk of third party ownership.

4.26 The Council's Estates team have now negotiated a purchase, in principle, with Sainsbury's and are liaising with Legal Services to conclude that as soon as possible.

5. IMPLICATIONS

5.1 The implications are as outlined in the table below.

Table 4.1: Implications	
Policy	None
Financial	Continue to pursue sale or lease of properties that shall generate financial income to Council
Legal	All property transactions are being progressed with close liaison between the PDET and Legal Services.
HR	None
Equalities	None
Risk	None
Customer Service	None

Douglas Hendry, Executive Director of Customer Services,

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