ARGYLL AND BUTE COUNCIL **COMMUNITY SERVICES COMMITTEE**

CUSTOMER SERVICES **13th JUNE 2019**
COMMUNITY SERVICES

FORMER WITCHBURN ROAD OFFICES SITE PROGRESS ON DEMOLITION AND SITE MARKETING

1. EXECUTIVE SUMMARY

1.1 This report provides an update on the progress towards the disposal of property assets at Witchburn Road, Campbeltown.

1.2 Demolition has recently been completed and site has now been cleared. Marketing of the stone built former contact centre premises at the front of the site has been undertaken, a closing date set and several formal offers have been made demonstrating interest in the property. There are funds remaining from the Strategic Housing Fund following the demolition that can be utilised to progress the creation of residential building plots and marketing of them.

RECOMMENDATION

1.3 It is recommended that the Committee note:

- That the former IT building at Witchburn Road has now been demolished and site cleared;
- That an 'All Enquiries' sales board has been displayed on the former Contact Centre and formal offers have been submitted and are currently being clarified;
- Note that £38,000 from the Strategic Housing Fund remains available to develop a layout for housing plots and associated infrastructure which will be tendered by Property Development and Estates;
- That a further update will be brought back to the December 2019 committee.

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2.0 INTRODUCTION

2.1 This report provides an update on the progress towards the disposal of property assets at Witchburn Road, Campbeltown.

3.0 RECOMMENDATION

3.1 It is recommended that the Committee note:

- That the former IT building at Witchburn Road has now been demolished and site cleared;
- That an 'All Enquiries' sales board has been displayed on the former Contact Centre and formal offers have been submitted and are currently being clarified;
- Note that £38,000 from the Strategic Housing Fund remains available to develop a layout for housing plots and associated infrastructure which will be tendered by Property Development and Estates; and
- That a further update will be brought back to the December 2019 committee.

4.0 DETAIL

4.1 **Demolition of Former Witchburn Road Offices:** As advised in previous updates, acceptable tenders had been submitted for the demolition of the main building at Witchburn Road (former IT Building) and a contractor was duly appointed in January 2019. In order to comply with a Scottish Natural Heritage (SNH) Bat Licence it was a requirement for demolition works to be completed by 31st March 2019 and alternative roots provided.

4.2 Demolition was carried out on schedule and site cleared by 31st March 2019. Photographs of the cleared site in its current condition can be shown at **Appendix A.**

4.3 Following the demolition of the building the risk of reputational damage associated with a vacant property which is deteriorating on an ongoing basis will be removed, along with the ongoing financial burden of approximately £2000 per month for non domestic rates and maintenance charges.

4.4 The project received £200,000 from the Strategic Housing Fund and total cost of demolition was £162,000. To this extent, £38,000 remains available to further the marketing and creation of residential building plots.

4.4 **Marketing:** The sandstone building at the enterance to the site (the former Contact Centre) has been marketed and has generated several formal offers following a closing date. All offers are conditional – including obtaining planning permission to convert into residential and we are working with the preferred offerors to crystalise their positions. Offerors have also sought to revisit the property now that the adjacent building has been demolished and clarify future development of site and boundaries. It is anticipated that the property will go Under Offer in June.

4.5 The Community Services Committee previously agreed that:-

> *…….. the option that may give both the Council and the community the best opportunity would be 'Option 3' i.e. to offer individually serviced plots to the self-build market. However this would only be confirmed by testing the market. On that basis, the site can be developed in the most cost effective way by an iterative process where services are located centrally, with site services only being extended for individual plots at an additional cost on the basis that there is market appetite for those evidenced by the market test.*

4.6 Property Development and Estates have been looking to design a layout and infrastructure plan for between 4 to 8 residential plots at the site and this service will be tendered. The £38,000 left over from the demolition will be used to fund this prepatory work. Once a design and costing plan has been agreed a business case will be prepared and brought back to this Committee. If appropriate a budget will be sought from the Surplus Property Account in expectation of a return from subsequent sale proceeds from our investment in infrastructure. Planning permission in principle will also be sought for the residential scheme. Similar costing excercises for infrastructure are underway at the former depot at Millpark, Oban and Oban Airport.

5.0 CONCLUSION

5.1 Demolition of the main building has been delivered on time, formal offers have been submitted for the sandstone former contact centre and are

currently being considered and Officers will seek to appoint a consultancy to design and cost a layout plan for the residential development.

6.0 IMPLICATIONS

6.1 Policy: The demolition of the former Witchburn Road offices will enable future housing development.

6.2 Financial: The Council is currently having to bear costs of approximately £2000 per month for non domestic rates and maintenance charges. Offering the site to the market should result in a financial return to the Council.

6.3	Legal:	None
6.4	HR:	None.
6.5	Fairer Scotland Duty	None
6.6	Equalities – protected Characteristics:	None
6.7	Socio-economic Duty	Sale supports local business
6.8	Islands	None

6.6 Risk: Liability risk has been reduced now that site has been cleared including the risk of vandalism or health and safety issues. There may be reputational risk associated with inability to complete sale of former contact centre building or plots.

6.7 Customer Service: None.

6.6 Risk –

6.7 Customer Service – None.

Douglas Hendry
Executive Director – Customer Services

Councillor Rory Colville
Policy Lead – Corporate Services

Councillor Robin Currie
Policy Lead – Communities, Housing, Islands and Gaelic

23rd May 2019

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APPENDIX A – PHOTOGRAPHS OF SITE