

**FORMER WITCHBURN ROAD OFFICES SITE
PROGRESS ON DEVELOPMENT 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 was completed in March 2019 and the site has been cleared. Marketing of the stone built former contact centre premises at the front of the site was undertaken with a number of offers received and Estates and Legal Services are currently working to conclude the sale. 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 Contact Centre is currently under offer and Estates and Legal Services are currently working to conclude the sale;
 - that £38,000 from the Strategic Housing Fund remains available to develop a layout for housing plots and associated infrastructure;
 - that Estates and Property Development have erected an 'all enquiries' board on the site as part of a wider exercise to assess the demand for different development options at this location;
 - that Property Services continue to progress appraisal options, including cost plans, for potential redevelopment of the site with recommendations for implementation being considered by the Service's Departmental Management Team for decision;
 - that any further updates in regard to the disposal of property assets at Witchburn Road, Campbeltown will be put before the Environment, Development and Infrastructure 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 Contact Centre is currently under offer and Estates and Legal Services are currently working to conclude the sale;
- that £38,000 from the Strategic Housing Fund remains available to develop a layout for housing plots and associated infrastructure;
- that Estates and Property Development have erected an 'all enquiries' board on the site as part of a wider exercise to assess the demand for different development options at this location;
- that Property Services continue to progress appraisal options, including cost plans, for potential redevelopment of the site with recommendations for implementation being considered by the Service's Departmental Management Team for decision;
- that any further updates in regard to the disposal of property assets at Witchburn Road, Campbeltown will be put before the Environment, Development and Infrastructure Committee.

4.0 DETAIL

4.1 The offices at Witchburn Road were demolished prior to 31st March 2019 to meet the requirements of Scottish Natural Heritage (SNH) Bat Licence. The demolition was also beneficial as it minimised the risk of reputational damage associated with a vacant property deteriorating on an ongoing basis, along with the ongoing financial burden of approximately £2000 per month for non domestic rates and maintenance charges.

4.2 The sandstone building at the entrance to the site (the former Contact Centre) was marketed resulting in a number of offers being received. Currently Estates

and Legal Services are seeking to refine the conditions of the best offer received to conclude the sale. This will be a positive outcome as the building is prominently located at the entrance to the main site.

4.3 The project received £200,000 from the Strategic Housing Fund and the 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 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.

4.5 To establish the level of interest in the site, Estates have erected an 'all enquiries' board. There has been concern that there may not be sufficient demand to justify the required investment in the infrastructure to allow the site to be developed as serviced house plots and this will assist to inform that decision. In addition discussions have been undertaken with social housing providers but this has also suggested that demand may be limited in this area. The recently announced closure of Campbelltown Creamery directly adjacent to the Council land has also triggered discussion with colleagues in Economic Development who are seeking to support the an alternative use being found for the Creamery site. Cumulatively the Creamery site and former office is one of largest redevelopment sites in Campbelltown.

4.6 Property Services are carrying out option appraisals for potential redevelopment of the site for residential use, including the layout design and infrastructure plan for between 4 to 8 housing plots. Consideration is also being given to the locating of a low carbon energy facility and infrastructure on site as part of Scottish Gas Network pilot works that Council are stakeholders in. The £38,000 left over from the demolition will be used to fund this preparatory work. Once a design and costing plan has been agreed, a business case will be prepared and brought back to Service's Departmental Management Team as operational business. Future updates in regard to the disposal of property assets at Witchburn Road, Campbelltown will be put before the Environment, Development and Infrastructure 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.

5.0 CONCLUSION

5.1 Demolition of the main building was delivered on time, formal offers have been received for the sandstone former contact centre and the conditions of the best

offer are currently being purified. Property Services will continue to progress appraisal options for potential redevelopment opportunities of the site. 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 disposal of the property and adjacent site could generate a capital receipt. The provision of serviced sites would require investment by the Council
- 6.3 Legal – The terms and conditions of any property transactions are intended to be delegated to the Executive Director of with responsibility for Commercial Services
- 6.4 HR – None
- 6.5 Fairer Scotland Duty
 - 6.5.1. Equalities – protected Characteristics: None
 - 6.5.2 Socio-economic Duty – The provision of housing will support the local community and generate employment during construction
 - 6.5.3 Islands – None
- 6.6 Risk – There may be financial and reputational risk associated with inability to complete sale of former contact centre building or plots.
- 6.7 Customer Service – None

Douglas Hendry, Executive Director with responsibility for Commercial Services

Councillor Aileen Morton, Policy Lead – Commercial Services

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