

## **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide members of the Area Committee with an update on Estates and Property Development projects ongoing in the Oban, Lorn and the Isles Area.

## **2.0 RECOMMENDATIONS**

- 2.1 That the members:-

- 2.1.1 Note and consider the content of this update report on property related projects in the Oban, Lorn and the Isles area.

PROPERTY UPDATE

---

**3.0 INTRODUCTION**

- 3.1 The purpose of this report is to provide members of the Area Committee with an update on Estates and Property Development projects ongoing in the Oban, Lorn and the Isles Area.

**4.0 CAR PARK PROJECT – HOTEL & CAR PARK OPPORTUNITIES**

- 4.1 The Estates and Property Development Team (E&PD) marketed three operational car parks (Albany Street, Tweeddale Street and the Esplanade) in Oban during 2018. The aim was to assess the market demand for development opportunities and to see if this could be met by maximising the use of existing assets. The key aims of the process were to maximise the economic return to the Council and the wider Oban area while seeking to maintain or enhance the parking provision in the town.
- 4.2 An update report was provided to the OLI Business Day on 13<sup>th</sup> February 2019 at which time the following position was reported:
- The DMT on 22<sup>nd</sup> January 2019 approved a report to select 4 preferred developers to take forward development on the 3 car parks. Officers will be working with the preferred developers over the coming months to move towards concluding contractual agreements and then planning submissions as required for the following proposed developments.
- 4.3 Subsequent to this report officers from Estates and Property Development have met with the preferred developers for each of the sites to progress their proposals.
- 4.4 Any development of the Albany Street site is contingent on providing alternative parking and the Tweeddale Street car park is currently being assessed for this purpose. Phase 1 site investigations were procured through HUB North and were returned week commencing 12<sup>th</sup> August 2019.
- 4.5 The results of the phase 1 site investigations have been assessed by the 2 preferred developers and the specification of the phase 2 site investigations has been agreed to ensure it meets their requirements. HUB North were instructed on 15<sup>th</sup> October 2019 to procure the phase 2 site investigations which will require trial pits and boreholes to be completed in the car park. These works will be co-ordinated with the Roads Section to ensure that any disruption is minimised and are anticipated to be undertaken in February 2020.

**5.0 OBAN AIRPORT BUSINESS PARK**

- 5.1 Oban Airport Business Park was marketed in late 2018 however limited interest was received. Following further feedback it was apparent that there were a number of parties who were interested in the location but they had

concerns about the costs of development. This was particularly in relation to the provision of services and the ground conditions at this location.

- 5.2 To progress matters the Estates and Property Development team procured Ryder Architecture to look at the main constraints in connection with developing the site and to provide proposed layouts together with an assessment of the anticipated costs of providing serviced sites.
- 5.3 This information was to allow a decision to be made on whether it is cost effective to proceed with further investment at the site and whether this should be done on a phased basis and only where serious occupier demand can be confirmed.
- 5.4 The constraints report identified that one of the important issues to clarify was the ground conditions and how this would affect the development of the sites as proposed within the Ryder Architecture report. Accordingly HUB North have been instructed to procure phase 2 intrusive site investigations in conjunction with the Tweeddale Street car park works noted above. Accordingly it is anticipated that the site investigations will be undertaken in February 2020.

## **6.0 APPIN DEPOT**

- 6.1 The Appin roads depot at Portnacroish, Appin has been confirmed as surplus to requirements by Development and Infrastructure Services and is proposed to be marketed for disposal by the Estates and Property Development team.
- 6.2 The depot was purpose built in 1982 by the former Strathclyde Regional Council and extends to an area of 224 sqm on a site of 6,400 sqm. The property is located off the A828 between Oban and Fort William and is accessed via a private road.
- 6.3 While the property has previously been used for industrial purposes it is considered that it may have development potential for residential use primarily as the site has outstanding views towards Castle Stalker on Loch Laich.
- 6.4 Accordingly it is the intention to commence marketing of the site following clarification of the planning and access position which was anticipated by the end of September 2019. However this has been delayed due to personnel changes within Sustrans Limited which has slowed progress in formalising the access rights. In addition Transport Scotland have requested additional information in respect of the main access which it is proposed will be progressed with Property Services.
- 6.5 Heads of terms for a servitude right of access have again been issued to Sustrans Limited who own a section of the access road. In addition disposal plans have been prepared with assistance from South Lanarkshire Council and it is proposed to use a drone video to enhance the marketing of the site to make the most of the spectacular location.
- 6.6 In the event that access to the site cannot be obtained cost effectively for the alternative residential use consideration will be given to leasing the property in its existing use to generate an ongoing income for the council.

## **7.0 MULL RESIDENTIAL SITES**

- 7.1 As part of the review of Council assets and following direct enquiries a number of properties on Mull are being proposed for development:
- 7.1.1 House plot at Fountainhead, Bunessan – This site suitable for 1-2 houses is currently being marketed.
  - 7.1.2 Former roads depot, Erray Road, Tobermory – Legal Services are currently clarifying title issues in relation to the former depot following which the site will be marketed as a single house plot.
  - 7.1.3 Affordable housing access at Baliscate, Tobermory – Terms have been agreed for a servitude right of access with the local developer and DMT approval was secured on 8<sup>th</sup> July 2019. Legal Services are working with the developer to conclude the servitude to facilitate the development.

## **8.0. CONCLUSIONS**

- 8.1 As part of the 'One Council' approach to the management of the Council's property assets a number of projects have been commenced or developed over the previous 18 months. This has demonstrated developer interest particularly around Oban and the next steps are to work with the developers to investigate the constraints of the sites, assess the financial viability of their proposals and if appropriate seek consents and conclude legal terms to allow the developments to proceed.

## **9.0 IMPLICATIONS**

- 9.1 Policy – None.
- 9.2 Financial – The disposal of assets will generate capital receipts however there may be initial expenditure during the marketing and assessment stages to ensure that the properties are marketable.
- 9.3 Legal - The terms and conditions of any sale or joint venture opportunity are intended to be delegated to the Executive Director of Customer Services.
- 9.4 HR – Any staff impacts of property projects will be assessed as part of the individual project.
- 9.5 Fairer Scotland Duty
- 9.5.1 Equalities – Protected characteristics – None.
  - 9.5.2 Socio economic Duty – None
  - 9.5.3 Islands – The development of affordable housing on Mull will address a known requirement.
- 9.6 Risk – Properties being marketed may not be sold or the potential receipts may be reduced by site constraints. There could also be reputational risk from delays in disposals caused by unanticipated factors or from complaints from other parties affected by the developments.
- 9.7 Customer Service – None

**Executive Director with responsibility for Commercial Services: Douglas Hendry**

**Councillor Aileen Morton, Policy Lead – Commercial Services and Priority Projects**

**Head of Commercial Services: Ross McLaughlin**

24<sup>th</sup> January 2020

**For further information contact:**

David Allan  
Estates & Property Development Manager  
The Helensburgh and Lomond Civic Centre  
38 East Clyde Street  
Helensburgh  
G84 7PG  
[david.allan@argyll-bute.gov.uk](mailto:david.allan@argyll-bute.gov.uk)  
01436 657 620