



# **AGENDA ITEM**

## **13**

### **Assets Surplus to Operational Requirements**

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**Falkirk Council**

**Title:** Assets Surplus to Operational Requirements  
**Meeting:** Executive  
**Date:** 27 September 2016  
**Submitted By:** Director of Corporate & Housing Services

**1. Purpose of Report**

- 1.1 The purpose of this report is to seek approval for the properties and land, detailed in this report, to be declared surplus to operational requirements for disposal or transfer.

**2. Recommendations**

- 2.1 It is recommended the Executive agrees to declare the following properties and land as surplus to operational requirements and authorise the disposal and transfer of the following assets on the terms set out in this report:

- (1) Property at 11 Broad Street, Denny – disposal on the open market
- (2) Property at Redding Cottage, Redding, Westquarter – disposal on the open market
- (3) Land at Parkhall Drive, Maddiston – transferred to Children's Services at open market value
- (4) Land at Stirling Street, Dunipace – negotiate disposal to Kingdom Housing Association
- (5) Land at Fountainpark Crescent, Bo'ness – negotiate disposal to private developer
- (6) Property at 1-3 Seaview Place, Bo'ness – disposal on the open market

**3. Background**

- 3.1 The Council's Corporate Asset Management Strategy and the Housing Asset Management Plan include objectives to secure operational efficiencies through asset realisation, including the disposal of property and land which is surplus to operational requirements.
- 3.2 In terms of Standing Orders, Chief Officers have the authority to make the decision on removal from operational service land and property no longer required for operational purposes for internal transfer or for disposal either on the open market or on a negotiated basis where the value of the asset is assessed to be less than £5,000. Where the value is more than £5,000 it will be for the Executive to determine whether to declare the land or asset surplus.



## **4. Considerations**

### Property at 11 Broad Street, Denny

- 4.1 The property shown on the attached plan – Appendix 1, is a non-operational commercial asset held on the Housing Revenue Account (HRA) and is considered to be surplus to operational requirements. Subject to Members approval and, if required, subsequent Scottish Ministers consent, it is proposed to make arrangements to sell the property on the open market.
- 4.2 The property forms part of a two storey Victorian stone block and is located on the first floor which is accessed from a ground floor door with an internal staircase. The property has no usable outdoor space and is surrounded by adjoining commercial properties which are privately owned.
- 4.3 The property has been vacant for a number of years and our colleagues in Development Services, Economic Development Unit have advised there are no prospects for letting this in the near future. The property is in poor condition and could not be re-let as a commercial unit without investment of c. £40k. If the property was re-let the rental income is estimated to be c. £1,000 per annum, therefore, it is not considered to be cost effective to undertake the required repairs to bring it up to a lettable standard.
- 4.4 A design feasibility study has been carried to assess the overall viability and cost to convert the property into a housing unit, with the intension of adding it to the Council's housing HRA operational portfolio. This study concluded the property could be converted into a one bedroom flat but would require c. £55k of investment to upgrade the property and reconfigure the layout to accommodate a bathroom on the first floor. This would also require planning consent for a change of use. If the property was re-let as a social rented home, the annual rent is estimated to be c. £2,300. Given the high cost to convert the property and the surrounding environment, which is predominantly commercial, it is considered this level of investment does not represent best value.

### Property at Redding Cottage, Redding Road, Westquarter

- 4.5 The property shown on the attached plan – Appendix 1, is a non-operational commercial asset held on the HRA and is considered to be surplus to operational requirements. Subject to Members approval and, if required, subsequent Scottish Ministers consent, it is proposed to make arrangements to sell the property on the open market.
- 4.6 Redding Cottage, Westquarter is a single storey detached property that was previously used as a community facility. The property has an area of land to the rear which rises steeply towards the boundary and the front garden is elevated above Redding Road by approximately 0.5 metres and has no direct vehicular access off Redding Road. The property is slightly isolated between existing communities and has a large commercial unit immediately to its west boundary.



- 4.7 The property has been vacant for a number of years and our colleagues in Development Services, Economic Development Unit have advised there are no prospects for letting this in the near future as a non-operational commercial asset.
- 4.8 A design feasibility study has been carried out to assess the overall viability and cost to convert the property into a housing unit with the intension of adding it to the Council's HRA operational portfolio. This study concluded the property could be converted into a 2 bedroom house and would also require planning consent for a change of use and vehicle access/lower kerb consent. The estimated cost to convert the property is c. £100k. If the property was re-let as a social rented home, the annual rent is estimated to be c. £4,700. Given the high cost to convert the property, it is considered this level of investment does not represent best value.

Land at Parkhall Drive, Maddiston

- 4.9 The land, shown on the attached plan – Appendix 1, is a vacant garage site held on the HRA and is considered to be surplus to operational requirements. Subject to Members approval it is proposed to make arrangements to transfer the land to Children's Services.
- 4.10 The garage site has been vacant for a number of years and Children's Services approached Corporate and Housing Services to establish if they could acquire the site to facilitate an extension to the new Maddiston Primary School.

Land at Stirling Street, Dunipace

- 4.11 The land, shown on the attached plan –Appendix 1, has been vacant for a considerable time. In March 2014, Kingdom Housing Association (KHA) approached the Council to request Scottish Government Grant Funding to support a new build development on this site. In order to make the best use of the site and to enable cottage flats to be built rather than communal flats, KHA have requested that they purchase the land owned by Falkirk Council.

Land at Fountainpark Crescent, Bo'ness

- 4.12 The land shown on the attached plan – Appendix 1, has been unused for a number of years. In April 2016, a private developer approached the Council to request that this area be purchased to facilitate the private housing development.

Property at 1 – 3 Seaview Place, Bo'ness

- 4.13 The property shown on the attached plan – Appendix 1, is held on the General Services Account and is considered to be surplus to operational requirements. Subject to Members approval it is proposed to make arrangements to sell the property on the open market.



- 4.14 The property was acquired by Falkirk District Council on 6th May 1993 and was established as a hostel for woman fleeing domestic abuse, managed by Falkirk & District Woman's Aid (FDWA). In 2009, it was determined the accommodation was under occupied and this type of communal living was no longer suitable or desirable for woman or children fleeing domestic abuse and was closed in December 2009.
- 4.15 The property forms part of larger precast and coloured concrete block of residential and commercial units. The building is listed and is in a conservation area.
- 4.16 The property has been vacant since 2010 and is now in a poor condition. A design feasibility study has been carried to assess the overall viability and cost to convert the property into housing units with the intension of adding it to the Council's housing HRA operational portfolio. This study concluded the property could be converted into three, 2 bedroom flats but would require the internal layout to be substantially reconfigured to accommodate 3 self-contained flats. The estimated cost to convert the property is c. £0.5m. Given the high cost to convert the property and the low demand for 2 bedroom flats in this town centre location, it is considered this level of investment does not represent best value.

## **5. Consultation**

- 5.1 For each of the six assets, the relevant local members have been consulted and there were no objections to the proposed disposal and transfer of these assets.
- 5.2 Other Council Services have been consulted through the Corporate Asset Management Group to establish if there is a strategic need for the three properties and it has been confirmed there is no operational requirement to retain these assets.
- 5.3 The Housing Asset Management Tenants' Group has been consulted and the tenant representatives had no objection to the disposal and transfer of these assets.

## **6. Implications**

### **Financial**

- 6.1 If progressed to a conclusion, the sale or transfer of these assets will generate a capital receipt for the Housing Revenue Account and General Services Account.

### **Resources**

- 6.2 None.



## **Legal**

- 6.3 The disposal will be subject to conclusion of all necessary legal agreements.

## **Risk**

- 6.4 Failure to dispose of the three properties could lead to further deterioration of the assets, causing blight to the community and present a health and safety risk.

## **Equalities**

- 6.5 Not required.

## **Sustainability/Environmental Impact**

- 6.6 The sale of the properties and land should bring vacant or derelict assets back into use.

## **7. Conclusions**

### Property at 11 Broad Street, Denny

- 7.1 The property detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell it on the open market to ensure the best price is obtained based on current market conditions. The property is in a poor condition and would require significant investment to bring it back to a lettable standard which is not considered to represent best value.

### Property at Redding Cottage, Redding Road, Westquarter

- 7.2 The property detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell it on the open market to ensure the best price is obtained based on current market conditions. The property is in a poor condition and would require significant investment to bring it back to a lettable standard which is not considered to represent best value.

### Land at Parkhall Drive, Maddiston

- 7.3 The land detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to transfer the land to Children's Services to facilitate the required extension of Maddiston Primary School.

### Land at Stirling Street, Dunipace

- 7.4 The land detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell the land to KHA to facilitate 22 new build properties.



Land at Fountainpark Crescent, Bo'ness

- 7.5 The land detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell to a private developer to facilitate a private housing development.

Property at 1 – 3 Seaview Place, Bo'ness

- 7.6 The property detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell it on the open market to ensure the best price is obtained based on current market conditions. The property is in a poor condition and would require significant investment to redevelop it into social rented flats, which is not considered to represent best value.

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Director of Corporate & Housing Services

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Date: 14 September 2016

**Appendices**

Appendix 1: Maps showing location of assets surplus to operational requirements

**List of Background Papers:**

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

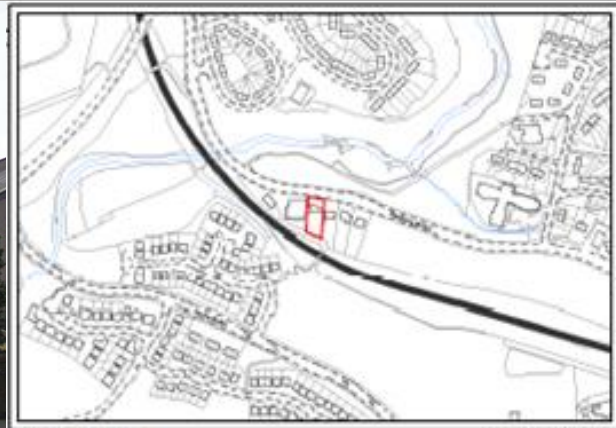
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## Appendix 1 – Maps showing assets surplus to operational requirements

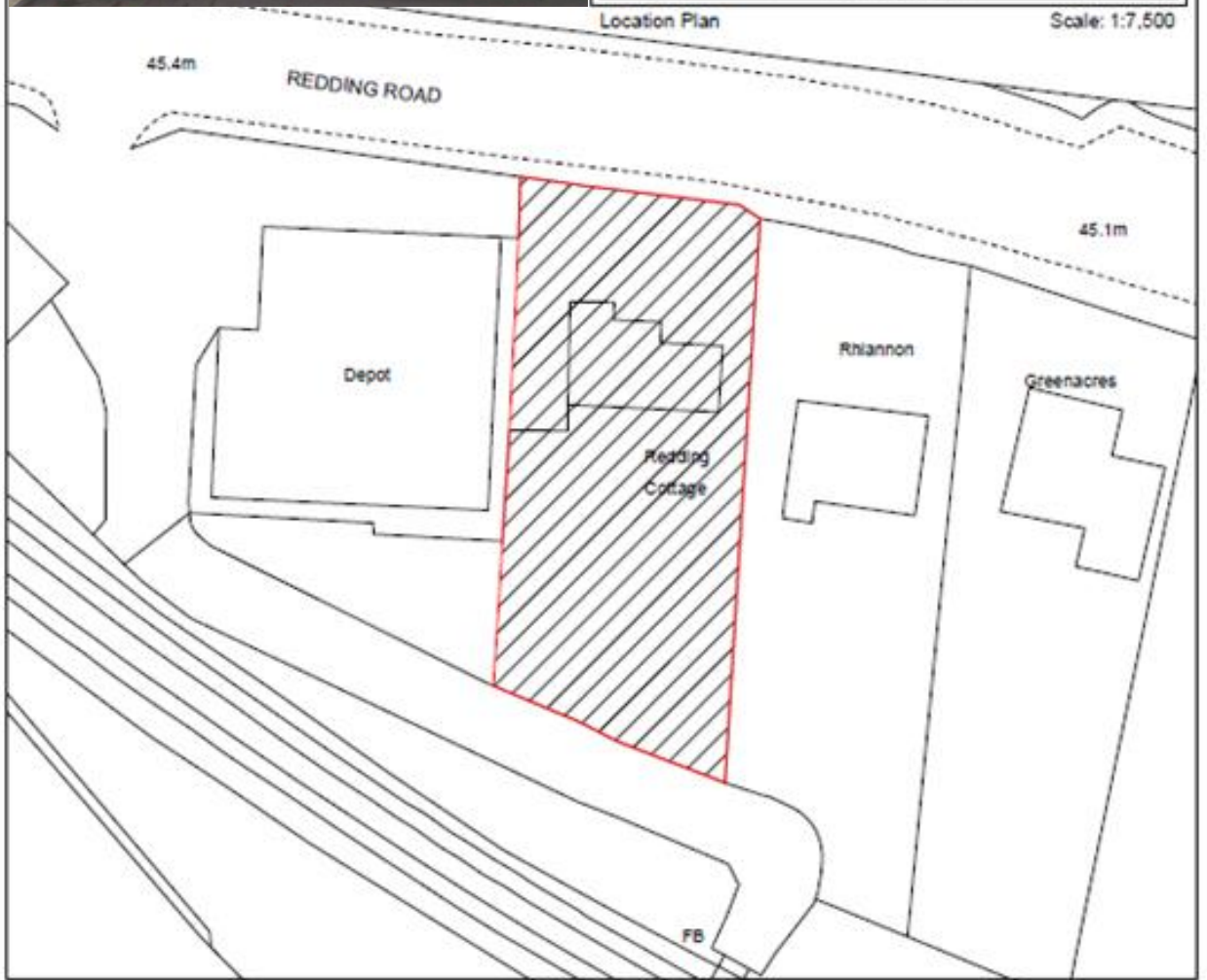







Location Plan

Scale: 1:7,500



0 10 20 40 Meters

 820.84 sqm or thereby



Falkirk Council

Development Services  
Abbotsford House, Davids Loan, Bainsford, Falkirk, FK2 7YZ  
Telephone: 01324 504950 Fax: 01324 504709

Scale: 1:500

Date: 16.8.2016

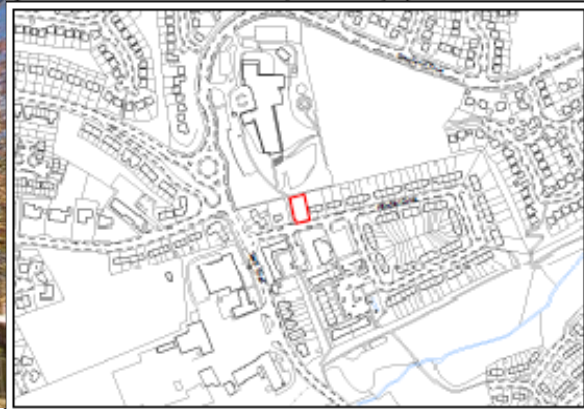


Subject

Redding Cottage, Redding Road

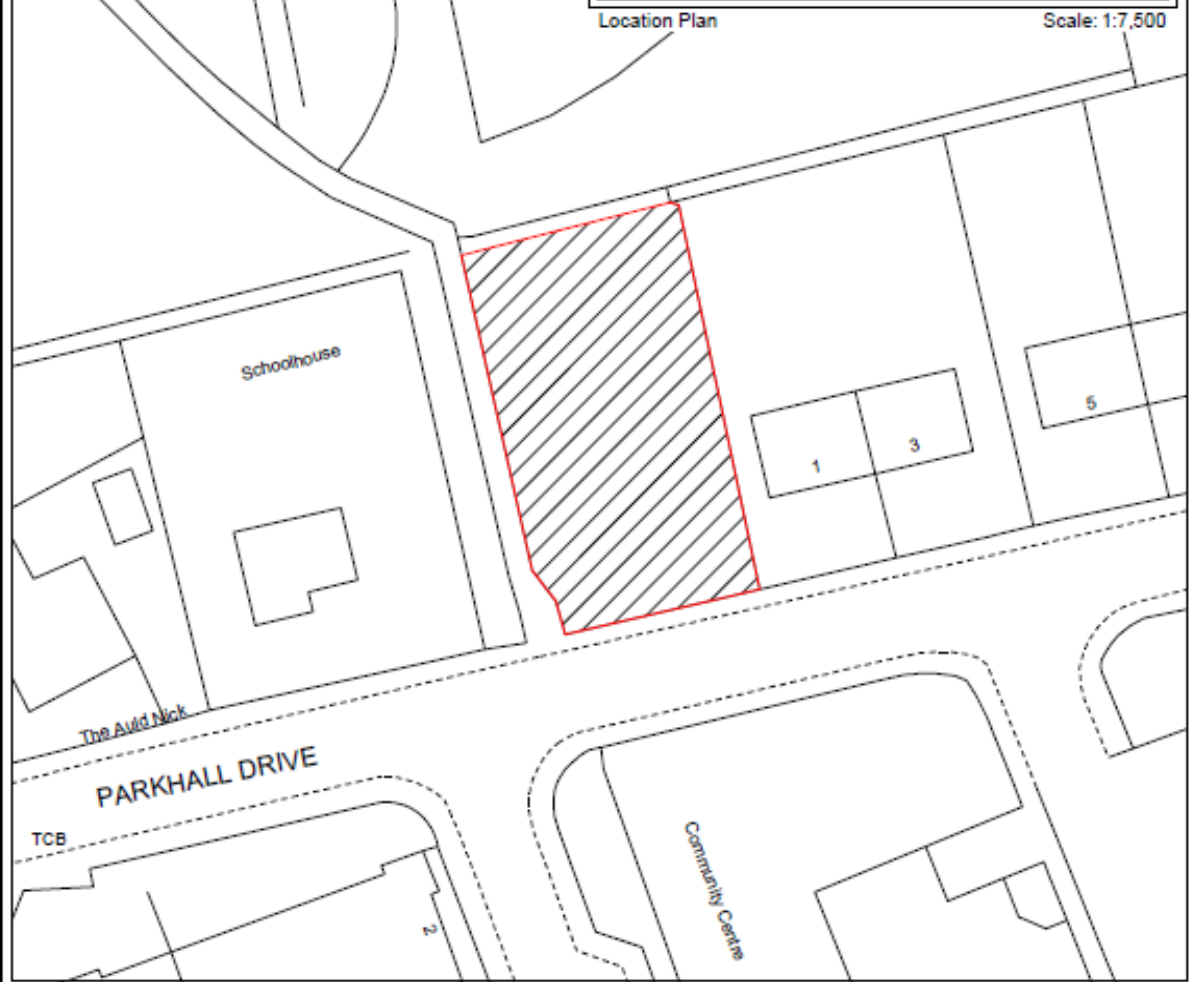
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Location Plan

Scale: 1:7,500



0 10 20 40 Meters

 555.14 sqm or thereby



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Scale: 1:500

Date: 16.8.2016

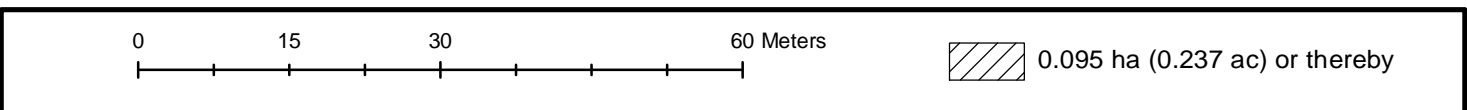
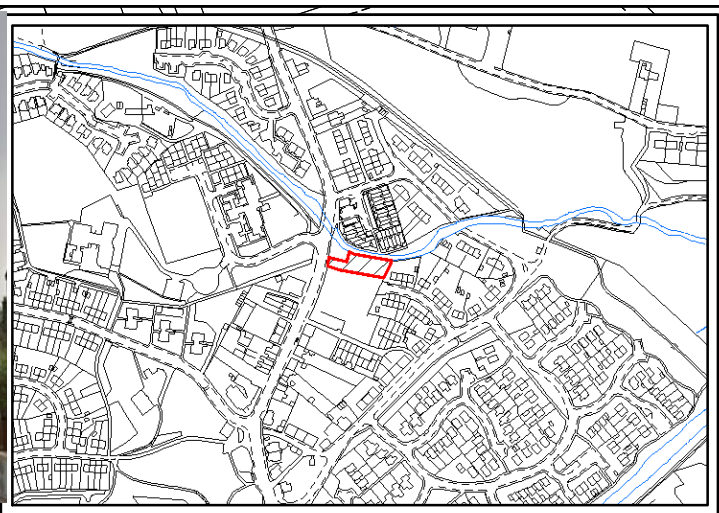


Subject

Land at Parkhall Drive, Maddiston

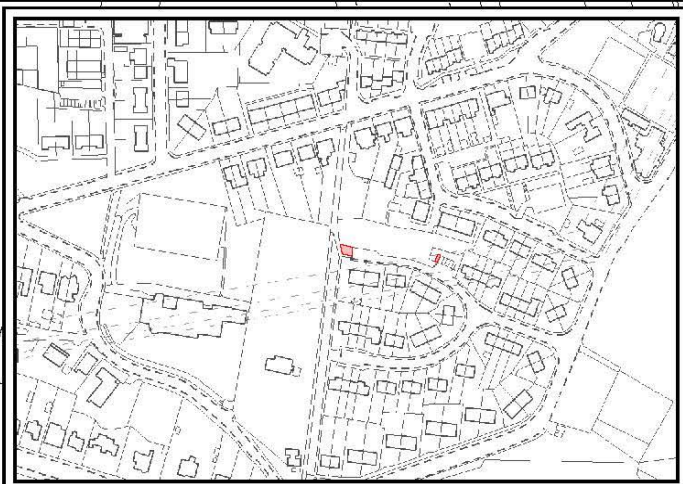
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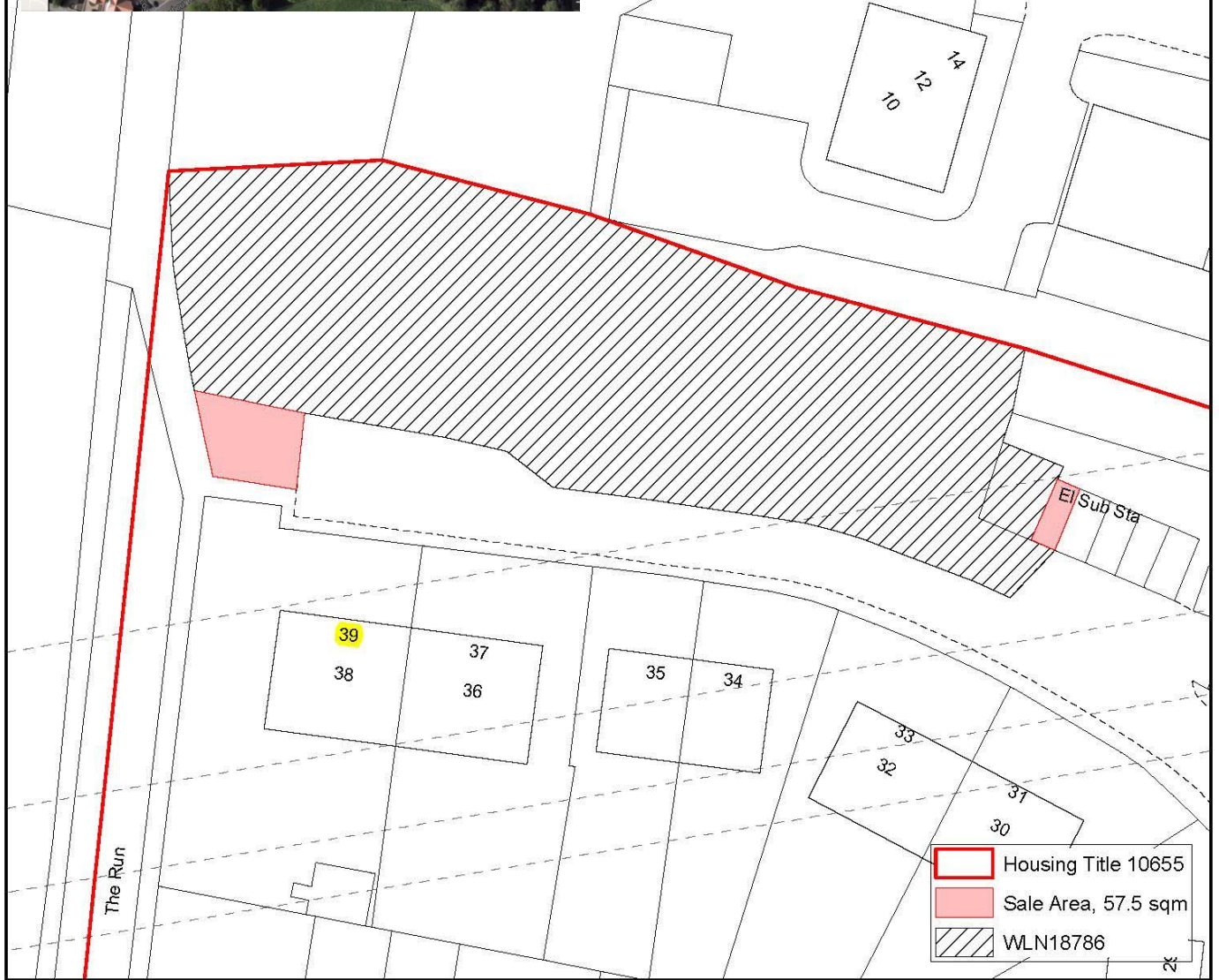
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Location Plan

Scale: 1:5,000



0 10 20 40 Meters

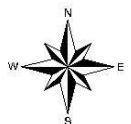


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Scale: 1:500

Date: 8.2016



Subject

Fountainpark Crescent, Bo'ness

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Location Plan

Scale: 1:7500



0 10 20 40 Meters

 246.46 sqm or thereby



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Subject

1-3 Seaview Place, Bo'ness

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