

The background of the slide features a large, faint, light blue watermark of the City of Vancouver coat of arms. The crest includes a crown at the top with four maple leaves, a shield divided into four quadrants (top-left: a ship, top-right: a stag's head, bottom-left: a sailing ship, bottom-right: an eagle), and a banner at the bottom with the motto 'A NE FOR A'.

## **Agenda Item 13**

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

## Falkirk Council

**Title:** Assets Surplus to Operational Requirements

**Meeting:** Executive

**Date:** 13 March 2018

**Submitted By:** Director of Corporate & Housing Services

### 1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for the assets, detailed in this report, to be declared surplus to operational requirements for disposal.

### 2. Recommendations

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

#### Housing Revenue Account

- (1) Land and vacant Lock-up site at Kirkland Drive, Denny – sale on the open market;
- (2) Land at East Bridge Street, Falkirk – sale on the open market;
- (3) Land at Laurie's Bar, Mary Street, Laurieston - negotiated sale of the Council's interest as ground landlord to the current tenant.

### 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 land held on the Housing Revenue Account (HRA) which is surplus to operational requirements.

### 4. Considerations

#### Lock-up site at Kirkland Drive, Denny

- 4.1 The land shown on the attached plan, Appendix 1, is held on the HRA and circa 0.07 acres in size. It's located within an area where there is both council and private housing. It's currently used as a lock-up site containing 6 no. lock-ups. All lock-ups have been vacant for some time and the local housing office has confirmed there is no waiting list for these lock-ups.

Due to the size of the land, it is too small to be considered for a council new build development.

#### Land at East Bridge Street, Falkirk

- 4.2 The land shown on the attached plan, Appendix 1, is held on the HRA and circa 0.05 acres in size. It's located behind the Sanam at the east end of

Falkirk High Street. This land is currently leased to the Sanam for additional car parking spaces, with a passing rental income to the HRA of £1,500 per annum. As the site is likely to attract interest from various parties it is recommended that the site is placed on the open market.

Due to the size of the land, it is too small to be considered for a council new build development.

#### Laurie's Bar, Mary Street, Laurieston

- 4.3 The land shown on the attached plan, Appendix 1, is held on the HRA and circa 0.27 acres in size. It's located on the site where Laurie's bar is built. This land is leased to the owner of Laurie's bar. The ground lease is for 100 years, with 60 years remaining, with passing rental income to the HRA of £12,500 per annum. We have been approached by the current tenant wishing to purchase Falkirk Council's interest in the land, to enable potential future site development without burden of a ground lease.

We have carried out an assessment with a view to building new council homes and subsequently made the owner of Laurie's Bar an offer to buy their interest in the site. The owners have refused to sell as there is a significant difference between the value as assessed by the District Valuer and the original purchase price paid by the owner in 2010.

As there is 60 years remaining on the lease, Corporate and Housing Services would be unable to make use of the land asset for this duration of the ground lease, or until the owner of Laurie's Bar agreed to sell their interest.

## **5. Consultation**

- 5.1 For each of the three land assets, the relevant local members have been consulted. The results of the consultation are as follows:
- Kirkland Drive, Denny – 2 members had no objection; 2 members requested further information which was provided to them and no further communication received;
  - East Bridge Street, Falkirk – 1 member had no objection; 2 members did not respond;
  - Laurie's Bar, Laurieston – 1 member had no objection; members requested further information which was provided to them and no further communication received, and 1 member did not respond.
- 5.2 The Housing Asset Management Tenants' Group has been consulted and the tenant representatives had no objection to the disposal of these assets.

## **6. Implications**

### **Financial**

- 6.1 If progressed to a conclusion, the sale of these assets will generate a capital receipt for the HRA.

### **Resources**

- 6.2 None.

### **Legal**

- 6.3 The disposal will be subject to conclusion of all necessary legal agreements.
- 6.4 Future development and/ or change of use of the land assets will be subject to statutory consents, which any purchaser would be required to pursue independently of the acquisition.

### **Risk**

- 6.5 Failure to dispose of this land may cause a blight to the community and present a health and safety risk.

### **Equalities**

- 6.6 Not required.

### **Sustainability/Environmental Impact**

- 6.7 The sale of the land assets would reduce the deterioration of the sites.

## **7. Conclusions**

### Land and Lock-up site at Kirkland Drive, Denny

- 7.1 The land, including the vacant lock-up detailed above, is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell this land on the open market, generating a potential capital receipt for the HRA.

### Land at East Bridge Street, Falkirk

- 7.2 The land detailed above is considered to be surplus to the operational requirements of Corporate and Housing Services and it is proposed to sell this land on the open market, generating a potential capital receipt for the HRA.

Laurie's Bar, Mary Street, Laurieston

- 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 sell this land as a negotiated sale to the current tenant. The District Valuer will value our interest in the ground lease and the sale of the asset will generate a capital receipt for the HRA.

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Director of Corporate & Housing Services

Author – David McGhee, Head of Procurement and Housing Property,  
01324 590788, [david.mcghee@falkirk.gov.uk](mailto:david.mcghee@falkirk.gov.uk)

Date: 23 January 2018

## **Appendices**

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

### **List of Background Papers:**

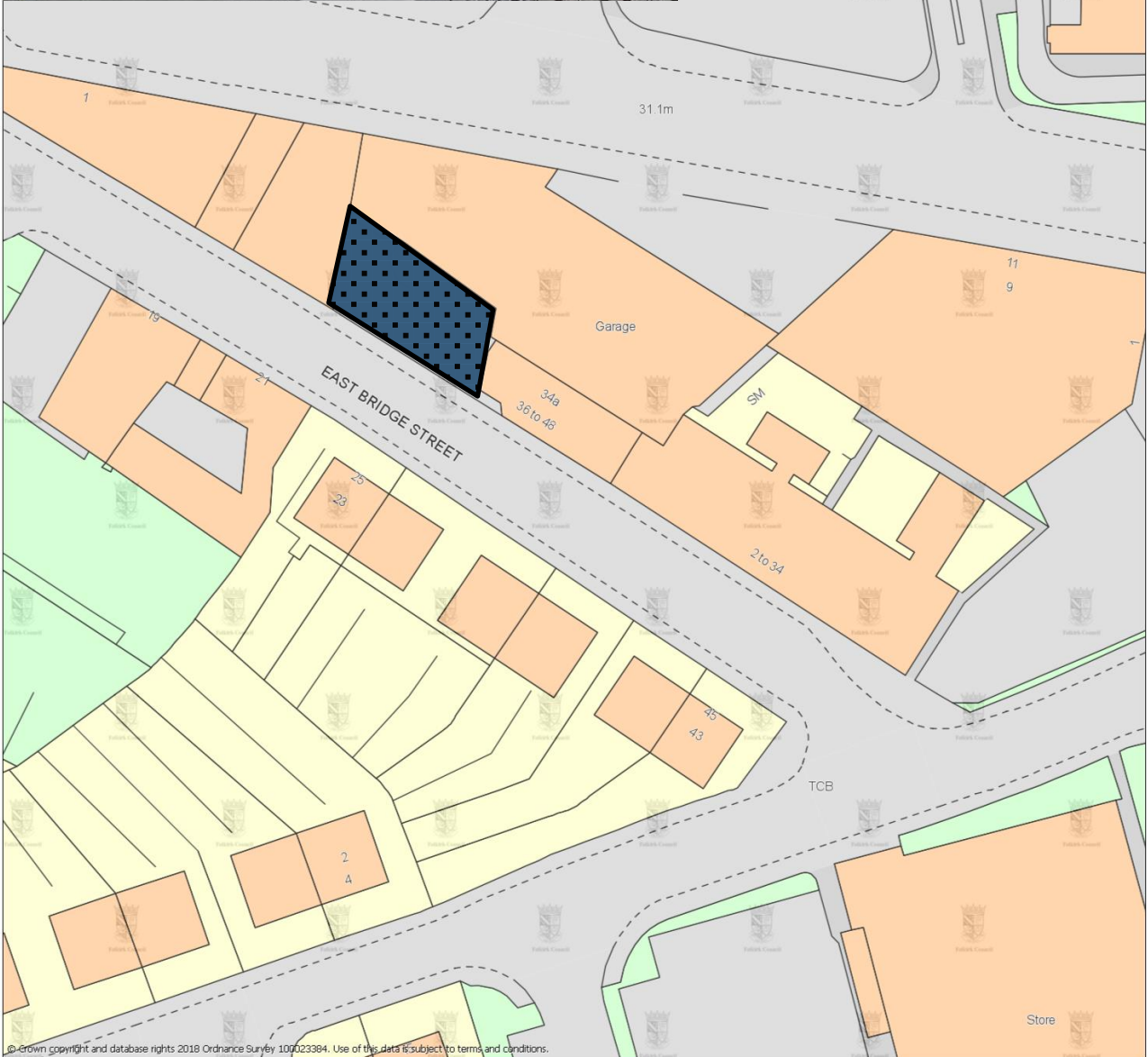
The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- Corporate Asset Management Strategy
- Housing Asset Management Plan

## Appendix 1 – Maps detailing location of assets surplus to requirements







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**Corporate and Housing Services**



Scale 1:714

## Land Asset Disposal

East Bridge Street, Falkirk



**Falkirk Council**



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<p><b>Corporate and Housing Services</b></p>			