



Agenda Item 14

**Sale of Site at Carradale Avenue,
Tamfourhill, Falkirk**

Title: Sale of Site at Carradale Avenue, Tamfourhill, Falkirk
Meeting: Executive
Date: 29th November 2016
Submitted By: Director of Development Services

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for a site of 1.384 acres at Carradale Avenue, Tamfourhill, Falkirk to be declared surplus and sold to Alchemy Inns Ltd, enabling a residential development of the site to proceed.

2. Recommendation(s)

2.1 It is recommended that the Executive:

- a) agrees to declare the site at Carradale Avenue, Tamfourhill, Falkirk surplus to Council requirements
- b) authorises the disposal of the site to Alchemy Inns Ltd on the basis of the outline terms contained in this report.

3. Background

- 3.1 The Carradale Avenue site is owned by the Council and comprises an area of open space and area of land leased to Alchemy Inns Ltd on a long ground lease. Alchemy Inns Ltd owns the former Hurlet Bar which sits on the site. The ground lease runs until 2031 and the tenant has an option to extend for a further 30 years. The passing rent is £3000 annually.
- 3.2 The ground lease area, extending to 0.75 acres, is on the Housing Revenue Account and the additional area of unused open space extends to 0.634 acres and is on the General Account (see appendix 1 for a plan of the site)
- 3.3 The Hurlet Bar has been closed for some time and the tenant has tried to re-let the property for a variety of uses without any success. The property is now in a poor condition and is having a detrimental impact on the local area.

4. Considerations

- 4.1 Alchemy Inns Ltd wishes to purchase the Council's ground lease interest and the neighbouring land in order to redevelop the site for residential purposes. Initial plans show a flatted development; however this will be subject to planning consent being granted.
- 4.2 Following negotiations, and based on the advice of the District Valuer, the proposed terms of disposal are identified in Appendix 2:
- 4.3 The price reflects the value of the Council's interest in the site, in particular that the proposed purchaser has a lease over a significant portion of the ground for potentially the next 45 years if the option to extend outlined in para 3.1 is exercised. The sale is subject to site investigations and the purchaser obtaining residential planning consent.
- 4.4 This transaction, if agreed, will have the benefit of securing the development of a site that is an eyesore locally with a capital receipt being provided to the Council. It is, therefore, considered that the most appropriate course of action is to declare the property surplus to operational requirement and dispose of the Council's interest for redevelopment.

5. Consultation

The Local Members have been consulted on the proposal and no objections were made. Officers in Corporate & Housing Services are satisfied with the proposal and price for the section of the site held on the Housing Revenue Account.

6. Implications

Financial

- 6.1 The capital receipt will be split with 85% going to Housing Revenue Account and 15% to the General Account, subject to any adjustment to the price as a result of abnormal costs as set out in para 6.5 below.

Legal

- 6.2 None

Resource

- 6.3 No additional resources are required

Risk

- 6.4 In order for the redevelopment of the site to proceed, the developer will require to own the site outright. Therefore if Alchemy Inns Ltd is unable to purchase the land interest there is a risk that the property/site will remain in a derelict condition. As a result, disposal of the site on the terms set out above mitigates this risk.
- 6.5 Given the nature of this site, there may be a need to adjust the final purchase price to reflect costs involved in addressing abnormal ground conditions or other extra normal development costs where valid. These can only be assessed following site investigations to be carried out by the purchaser at their expense. Where these materially impact on the site value, these costs will be verified by the Council. Any consideration given to an adjustment of the price will thereafter be based on the principle of obtaining 'best price' on disposal of Council assets.

Equalities

- 6.6 None

Sustainability & Environmental Implications

- 6.7 Provision of modern housing in this location will improve the overall amenity of the immediate locale and provided sustainable housing to the area.

7. Conclusion

- 7.1 The sale of the site at Carradale Avenue will see the Council gain a capital receipt for its ground interests and allow the existing derelict building to be removed to enable redevelopment of the site for residential purposes.

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Director of Development Services

**Author - John Smith, Principal Surveyor (Business Locations) – 01324 504973.
john.smith@falkirk.gov.uk**

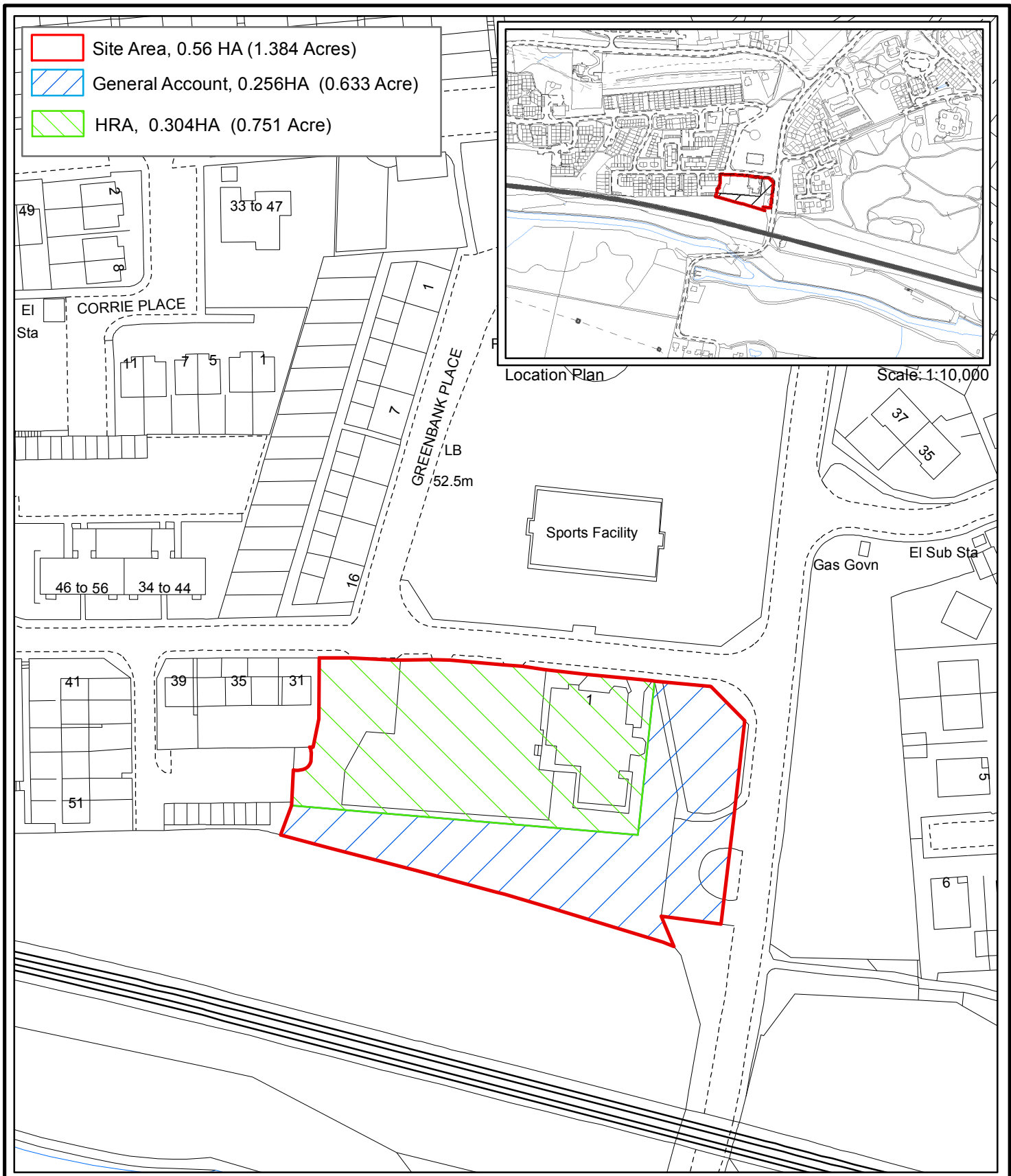
Date: 17 November 2016

- **Appendix 1 – Sale Plan**

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:

- **Property File: Carradale Avenue.**



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Falkirk Council

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

Scale: 1:1,250

Date: 1.11.2016



Subject

Land adjacent to the Hurlet,
 Carradale Avenue, Tamfourhill

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