

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 29 May 2018

PROPERTY TRANSACTION – HOMOLOGATION REPORT

REPORT BY HEAD OF INFRASTRUCTURE

ABSTRACT

Report seeking homologation of the decision to agree the letting of the First Floor of William Wallace House to Tayside Valuation Joint Board

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) Homologates the decision taken by Strategic Director - Place, Head of Infrastructure, Service Leader - Housing, Service Leader - Legal and Democratic to agree the letting of the First Floor of William Wallace House to Tayside Valuation Joint Board
- (ii) Delegates authority to the Service Leader – Housing, in consultation with the Head of Infrastructure and Head of Finance and Legal to approve further leases of vacant offices at William Wallace House at market value rent.

2. ALIGNMENT TO THE ANGUS LOCAL OUTCOMES IMPROVEMENT PLAN/CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Local Outcomes Improvement Plan and Locality Plans:

ECONOMY

- An inclusive and sustainable economy
- Angus is a good place to live in, work and visit

3. BACKGROUND

- 3.1 Reference is made to Reports 480/15 and 481/15, approved by Angus Council at its meeting on 10th December 2015. These reports set out the proposals and outline business case in relation to the Council's agile working and estates review programme.
- 3.2 Report 480/15 also highlighted that William Wallace House was surplus to Council needs for agile working and that options were being explored to utilise this accommodation for other partner agencies or 3rd party income generation. However, as William Wallace House is on the Housing Revenue Account (HRA) any additional income would accrue to that account.
- 3.3 William Wallace House was vacated in December 2017 and subsequently marketed through our retained agents Shepherds
<https://www.shepherd.co.uk/commercial/property/details/3245>
- 3.4 Tayside Valuation Joint Board wished to consolidate their Dundee and Angus Offices and as a result identified William Wallace House as suitable for their requirements.
- 3.5 In accordance with the Scottish Public Finance Manual, as a transaction between two public bodies, the District Valuer was appointed to determine the rental for the premises. They determined a market value rent of £50,000 per annum.

4. CURRENT POSITION

- 4.1 The First Floor of William Wallace House will be let to Tayside Valuation Joint Board for a period of 10 years at a rental of £50,000 per annum subject to rent review at the end of the fifth year. TJVB will have an option to terminate the lease at the end of the fifth year.
- 4.2 Several viewings have taken place with third parties and it is hoped to secure a tenant for the remaining vacant space within the building.
- 4.3 This is line with the HRA Business Plan objectives agreed with the Tenant Steering Group which include making efficient use of HRA assets to benefit tenants. The Lease arrangement falls within the terms of General Consent under our obligations in the operation of the Housing Revenue Account.

5. FINANCIAL IMPLICATIONS

The lease to TVJB and any other leases will secure an income to the HRA of £50,000 per annum.

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