

ANGUS COUNCIL

POLICY AND RESOURCES COMMITTEE – 7 DECEMBER 2021

PROPERTY SALE – FORMER GARAGE AT FERRY STREET/CALEDONIA STREET, MONTROSE

REPORT BY ALISON SMITH, INTERIM DIRECTOR OF VIBRANT COMMUNITIES AND SUSTAINABLE GROWTH

ABSTRACT

This report relates to the sale of a vacant commercial property, the former garage at Ferry Street/Caledonia Street, Montrose, which comprises an industrial building.

1. RECOMMENDATIONS

- (i) It is recommended that the Policy & Resources Committee agrees to the sale of a vacant property at the former garage at Ferry Street/Caledonia Street, Montrose.
- (ii) Notes that the transaction will be conditional upon the following:-
 - a) Detailed legal terms and conditions being agreed by Angus Council
 - b) A detailed legal contract for the sale of the property being negotiated and documented.

2. ALIGNMENT TO THE ANGUS COUNCIL PLAN

This report contributes to the following priority contained within the Angus Council Plan 2021 – 2024:

Priority 1 Economy: We want Angus to be a 'go-to' area for business:-

- spend council money locally where we can help to grow our local economy
- support the creation of local, paid, and lasting job opportunities for our citizens
- make Angus a low-carbon, sustainable area
- support business and economic growth by improving the physical and digital infrastructure

Priority 4 Our Council: We want Angus Council to be efficient and effective:-

- develop a commercial approach where appropriate, to make the most of our limited resources

3. PROPOSALS

- 3.1 Angus Council's Commercial Property Portfolio held on the Economic Development account includes the former garage at Ferry Street/Caledonia Street, a property which was bought through the compulsory purchase process as part of the Montrose Spine Road Improvement Works undertaken around Montrose Port and as part of re-development of the area. The property forms the corner of a square of buildings (see attached site plan) and was formerly a garage.

Our Estates Team have corresponded directly with the former owner and asked if they intend to re-purchase the property, as we are obliged to, and they have formally indicated that they have no desire to do so.

- 3.2 The property is in a relatively poor condition and sits as the corner building on a rectangle of buildings owned by Whittaker Engineering Ltd. Whittaker Engineering have contacted us to advise they intend to redevelop their vacant site and acquisition of the vacant former garage site would allow them to incorporate this into their plans and upgrade the whole site in a consistent and high-quality manner, which would enable and align with their vision of growth.

During initial discussions with Whittaker Engineering regarding their proposed investment in their site, they asked if we would consider an offer to purchase the vacant property. As we have an obligation to consider all purchase offers on our properties, we agreed to consider their offer.

By disposing of this former garage property Angus Council will continue to contribute to the overall regeneration on South Montrose and aid the Whittaker's in bringing back to life a long vacant and derelict building, creating jobs and providing more international trade in the county.

- 3.3 The sale of any property asset is governed by Angus Council Financial Regulations Section 17. The standing orders provide further guidance on procedural matters relating to the disposal of land and property matters, point 9: -

“Procedures for disposal of land/property held on the Economic Development Account. Almost by definition, all land/property held on the Economic Development Account could be considered as being on the market and available for disposal. There is therefore no need for further advertising/marketing in the event of an application to purchase being received. After the application has been recorded, the Chief Executive is to consider the appropriateness of any disposal and if deemed acceptable the request is to be referred to the Infrastructure Service to provisionally agree a selling price. If agreement cannot be reached then currently the matter ends, but if agreement can be reached then a report is to be made to the Policy and Resources Committee. Thus, with the recommendation being made by one directorate, the disposal price provisionally agreed independently, and the final decision made by committee, the disposal can be tracked and shown to be open and above board”.

- 3.4 In the event we receive an offer to purchase a property we consult and are advised of the subject's Open Market Value by Angus Council's senior qualified Chartered Surveyor in order Angus Council follow Best Value protocol.

An Open Market Value is defined as the price that the subject will sell for between a willing seller and willing purchaser, taking cognisance of the property's use (including planning), physical condition and location. It assumes there are no legal encumbrances on the title and the property is sold with vacant possession (no one has a lease over it). It assumes a reasonable time for marketing. The value quoted is determined by recent market transactions which are deemed to be comparable in size and nature of the subject.

Once we have an Open Market Value, we make an offer to the prospective purchaser. As stated above, this property has been offered to the former owner and given Whittaker Engineering's ownership of the adjacent and connected buildings, their proposed investment in these and redevelopment, it seems logical to look at the site as a whole and the building therefore is one which we would recommend disposing of. Given these factors and the current economic situation, we believe that this offer represents good value for the Council.

- 3.5 The business made a verbal offer and thereafter we agreed a Heads of Terms offer to sell the property. Once an offer is received, we consult with Angus Council's senior Chartered Surveyor and agree a recommendation before presenting the report to committee.

4. FINANCIAL IMPLICATIONS

Angus Council will receive the agreed purchase price of for the sale of the former garage at Ferry St/Caledonia St, Montrose.

5. OTHER IMPLICATIONS

Not applicable.

6. EQUALITY IMPACT ASSESSMENT

Equality Impact Assessment Screening document attached in appendix 3

7. CONSULTATION

The Director of Infrastructure and Director of Legal and Democratic Services have been consulted in the preparation of this report.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

- Appendix 1 - Commercial Details of the proposed sale
- Appendix 2 - Location and Description of property
- Appendix 3 - Equality Impact Assessment Screening