

Finance and Resources Committee

10.00am, Thursday, 11 October 2018

Disposal of Former Close Support Unit, 83 Pentland View

Item number	8.1
Report number	
Executive/routine	Routine
Wards	8 – Colinton/Fairmilehead
Council Commitments	C2

Executive Summary

Pentland View Close Support Unit closed in January 2015 and was subsequently marketed for sale. Missives for the sale were concluded in February 2016. However, as the preferred bidder was unable to obtain planning permission for their proposed development, the Council resiled from the contract.

The property has been recently remarketed, through Edinburgh Solicitors Property Centre, with guidance that took into account the reasons for the previous refusal of planning consent. At the closing date in July 2018, 11 bids were received.

This report seeks Committee approval to appoint Buckley Building UK Limited as the preferred bidder on the terms and conditions outlined in the report.

Disposal of Former Close Support Unit, 83 Pentland View

1. Recommendations

- 1.1 That Committee:
 - 1.1.1 Approves that Buckley Building UK Limited is selected as preferred bidder for the disposal of the Former Close Support Unit, 83 Pentland View on the terms and conditions as outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

2. Background

- 2.1 The property comprises a 19th century former farmhouse building and its associated curtilage, located on the western side of Swan Spring Avenue and to the north of Pentland Drive as shown outlined in red on the plan at Appendix 1.
- 2.2 Following a review of the service strategy for children and young people looked after and accommodated by the Council, in 2014, the closure and disposal of Pentland View Close Support Unit was approved in December 2014. The proceeds from the sale were programmed for reinvestment at other secure facilities.
- 2.3 The unit closed in January 2015 and, in May 2015, was advertised for sale as a 'Redevelopment Opportunity' suitable for use as a care home/retirement accommodation or subject to obtaining planning consent for residential use.
- 2.4 The preferred bidder submitted an application for the demolition of the farmhouse and the development of 37 flats. The application was refused by the Development Management Sub- Committee with the subsequent appeal rejected by the Reporter, principally on the basis of over development.
- 2.5 Prior to remarketing the property in April 2018, extensive discussion took place with the local community and refreshed advice sought from the planning and transport services to ensure that potential bidders had guidance as to what form and density of development would be acceptable.
- 2.6 The property was marketed through Edinburgh Solicitors Property Centre and, at the closing date in July 2018, 11 bids were received.

3. Main report

- 3.1 Each of the bids received were analysed against a number of main key criteria such as:
- Price;
 - Proposed development;
 - Planning and transport risk – development form and massing; and
 - Conditionality.
- 3.2 Using these criteria, each bid was adjusted to arrive at a projected net price. For example, proposals which proposed a density of units that were considered over development were adjusted to reflect a number which could be supported through the planning process. Typically, this process impacts on the gross financial offer from the bidders as it is designed to ensure that an overall comparison is made on a like for like basis.
- 3.3 Each of the bidders were also asked to demonstrate that they had suitable finance in place to undertake their respective proposed developments.
- 3.4 Following analysis of the bids, the proposal received from Buckley Building UK Limited is considered to offer the greatest benefit to the Council in terms of the criteria outlined at paragraph 3.1.
- 3.5 Buckley propose to retain the main farmhouse building and convert it into 4 flats. In addition 4 detached properties will be developed in the grounds to the rear. A layout of the proposed development is attached as Appendix 2 and Committee should note that this is indicative at this stage and may change following public consultation and/or further planning requirements.
- 3.6 In common with all the bids which were received, the proposal is subject to a number of conditions, including Title, planning permission for the proposed development and satisfactory ground conditions.
- 3.7 It is estimated that the bid will deliver a capital receipt in the region of £1.15m with the Council's corporate property and legal costs being paid in addition.

4. Measures of success

- 4.1 The disposal and development of the property will bring a vacant property back into economic use.
- 4.2 Ensuring that a small scale development is undertaken will prevent future owners of the site seeking to obtain a planning consent for a level of development that would not be supported by the local community or the planners.

5. Financial impact

- 5.1 A capital receipt in the region of £1.15m will be obtained in financial year 2018/19.
- 5.2 An ongoing maintenance liability will be removed from the Council's revenue budget.

6. Risk, policy, compliance and governance impact

- 6.1 There is a risk that Buckley Building do not receive planning consent for the amended scheme. This will result in continued holding costs to the Council and a delay in realising the capital receipt. This risk has been mitigated by ensuring that detailed guidance was provided to bidders during the marketing process.

7. Equalities impact

- 7.1 The proposal in this report to dispose of a vacant property for a small scale residential development does not have a significant additional impact on people, equalities, the economy and the environment.

8. Sustainability impact

- 8.1 The proposed development will incorporate sustainable methods of construction and will meet current building standards.

9. Consultation and engagement

- 9.1 Ward elected members have been made aware of and consulted on the recommendations of this report.
- 9.2 Members of the neighbouring community have been extensively consulted throughout the marketing process.

10. Background reading/external references

- 10.1 Not applicable.

Stephen S. Moir

Executive Director of Resources

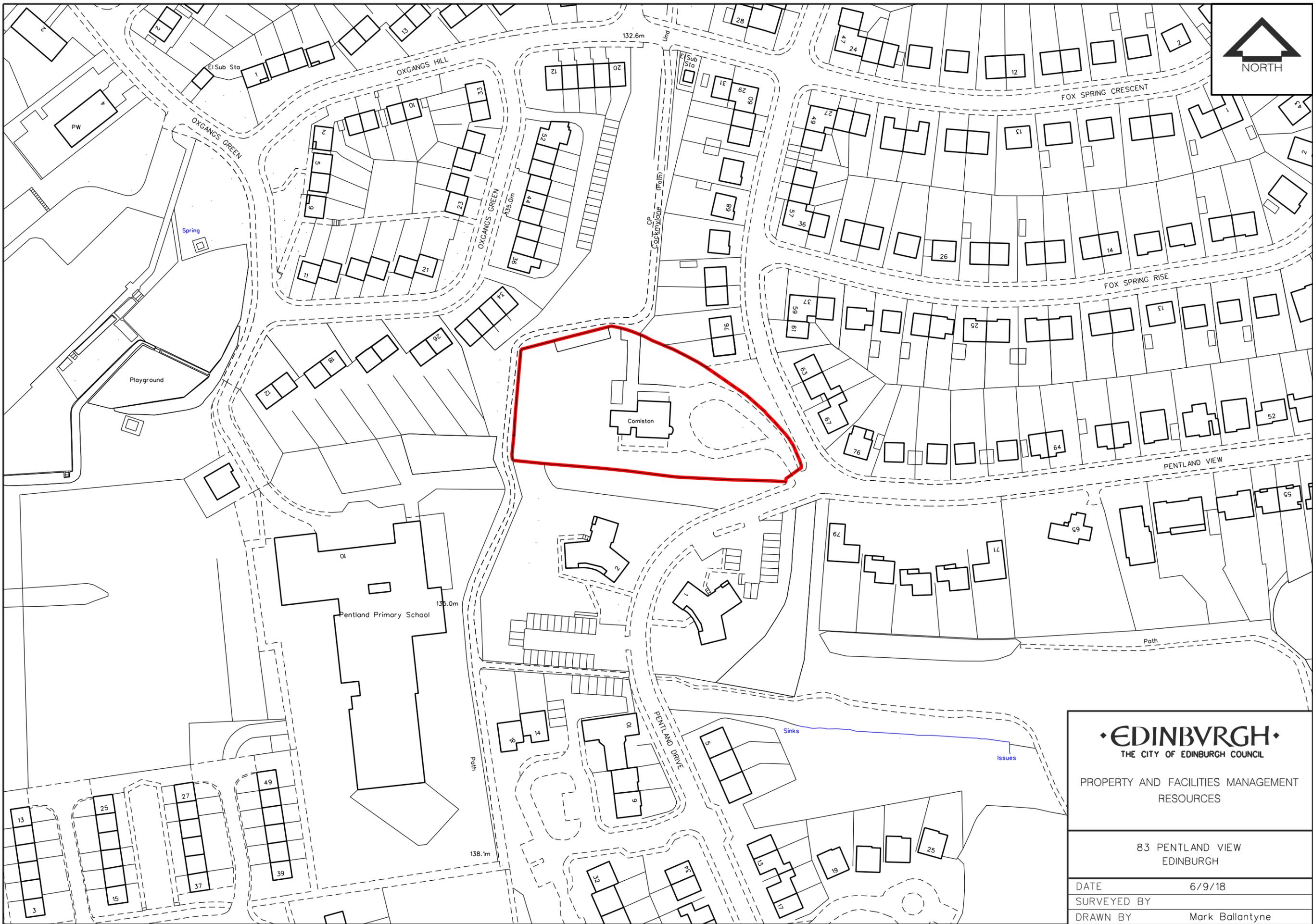
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11. Appendices

11.1 Appendix 1 – Location Plan

11.2 Appendix 2 – Proposed Development Layout



SITE PLAN

SCALE 1:1250

• EDINBURGH • THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
83 PENTLAND VIEW EDINBURGH	
DATE	6/9/18
SURVEYED BY	
DRAWN BY	Mark Ballantyne
SCALE	1:1250 @ A3 SIZE
NEG. NO.	A3/1632

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DATE	DESCRIPTION

BUCKLEY BUILDING UK LIMITED
EDINBURGH
 RESTORATION AND DEVELOPMENT
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 MASTERPLAN (AS AMENDED)

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PROJECT NUMBER	002	DATE	11/250
REVISION			