

PROPOSED SALE OF ST JAMES HOUSE, FORFAR

Abstract

This report and attached [plan](#) seeks approval to the sale of St James House, Forfar on the provisional terms and conditions stated.

1 RECOMMENDATION

The Committee is recommended to

- (i) exempt this transaction from the provisions of paragraph 17.2.3 of the Council's Financial Regulations, which requires the invitation of competitive tenders by public advertisement for all land or buildings declared surplus to requirements for the reasons stated below;
- (ii) authorise the actions of the Director of Property in entering into negotiations with Deanway Developments Ltd and DWG Property Ltd on the basis that best value would be obtained by negotiating direct with the developers of the adjoining property ;
- (iii) agree to the sale of the St James House office site to Deanway Developments Ltd and DWG Property Ltd on the provisional terms and conditions contained in this report.

2 BACKGROUND

In report 548/05 to the Resources and Central Services Committee on 3 May, reference was made to the capital receipt from the sale of St James House being included within the funding package for the provision of the new headquarters offices at Orchardbank.

Negotiations have been ongoing for some time with Deanway Developments Ltd and DWG Property Ltd, the developer partners of the adjacent St James Works factory site into retail outlets, on the basis that by incorporating the Council's St James House site the combined development site will create the potential for a better and more integrated overall scheme.

The Director of Property Services considered that in order to obtain best value for the sale of the St James House site and to maximise the development benefit of this town centre brownfield site it was appropriate to negotiate direct with the developer partners rather than advertise the St James House site for sale on the open market. It is understood that the developer partners will be lodging a planning application for a retail and housing development in the near future.

3 PROVISIONAL TERMS AND CONDITIONS

The Council's retained external consultants, Messrs Lickley Proctor, have been negotiating on the Council's behalf and, taking into account any additional development potential of the combined site, have provisionally agreed a price of £700,000 with Deanway Developments and DWG Property, subject to the approval of the Council, the developers' Boards, and the normal conditions pertaining to the receipt of detailed planning consent. Entry to the Council's St

James House site will not be given until the relevant staff have transferred to the new offices at Orchardbank, currently estimated as early 2007.

4 FINANCIAL IMPLICATIONS

The Council's External Consultants have confirmed that the negotiated sale price is a fair reflection of the market value of the property.

This £700,000 capital receipt will be ring fenced as part of the funding package for the development of new headquarters offices at Orchardbank.

5 HUMAN RIGHTS IMPLICATIONS

There are no Human Rights Act implications specific to this report. Any implications, as a consequence of discharging recommendations detailed in this report, will be managed in accordance with the standing procedures and processes established by the Property Services department.

6 CONCLUSION

The capital receipt for the sale of St James House contained in this report will meet the target figure identified in the funding package assembled for the development of the new HQ offices at Orchardbank and the combined development site will create the potential for a better and more integrated overall scheme to the benefit of the town.

7 CONSULTATION

The Chief Executive, the Director of Law and Administration and the Director of Finance have been consulted in the preparation of this report

REFERENCES

Committee	Date	Report No	Subject
Angus Council	01/07/04	833/04	Office Accommodation Strategy – Recommendation to build new HQ accommodation at Orchardbank, Forfar
Special Budget Meeting	10/02/05	186/05	Provisional Financial Plan 2004/ 2008.
Resources and Central Services Committee	03/05/05	548/03	Council Offices (HQ), Orchardbank, Forfar – Tender report

BACKGROUND PAPERS

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

M G Lunny
Director of Property Services