

THE HIGHLAND COUNCIL

Resources Committee – 3rd December 2008

Agenda Item No.	
Report No.	

Property Disposals Requiring Scottish Ministers' Consent

Report by the Director of Housing and Property

Summary

Members are invited to approve property disposals at below market value, subject to receipt of Scottish Ministers consent.

1. Background

- 1.1 The lease or transfer of property which proposes a disposal to a third party at below market value requires Scottish Ministers consent in terms of Section 74 of the Local Government (Scotland) Act 1973.

2. Lease Transactions

- 2.1 Tain Golf Course is owned by Highland Council and held by Education Culture & Sport. The subjects are leased to Tain Golf Club for a period of forty five years from Whitsun 1974. The rent is subject to review every fifteen years and the current rent is £1,063 per annum.
- 2.2 The rent was due to be reviewed from Whitsun (28th May) 2004. The Council notified the Golf Club of their intention to review the rent and instructed the District Valuer to negotiate the increased rent. The District Valuer's opinion of the market rental value is £10,000 (ten thousand pounds) per annum, based on a proportion of the Club's annual turnover.
- 2.3 The Golf Club have intimated that they would not be able to meet the proposed increased rent and that if the Council were to implement the review at this level, the club would experience severe financial hardship.
- 2.4 Invergordon Golf Course is also owned by Highland Council and is let to Invergordon Golf Club for a period of 60 years .The current rent is £3,200 per annum. Tain Golf Club have intimated that they would be prepared to accept a rental increase to the same figure as Invergordon Golf Club, with effect from Whitsun 2008.
- 2.5 Resources Committee is being asked to approve the increase in rent for Tain Golf Club to £3,200 per annum with effect from Whitsun 2008, at less than market value subject to Scottish Ministers consent.
- 2.6 Local Members and the Ward Manager have been consulted and are supportive of the proposal.

3. Resource Implications

- 3.1 The District Valuer is of the opinion that the market rental value of the subjects is £10,000 per annum and the Council would forego the difference between this and the proposed sum, i.e. forego £6,800 per annum.

4. Recommendation

Members are invited to approve the increase in rent for Tain Golf Club to £3,200 per annum with effect from Whitsun 2008

Members are further invited to agree that the Director of Housing and Property seeks consent for this transaction from the Scottish Ministers under Section 74(2) of the Local Government (Scotland) Act 1973.

Signature:

Designation: **Director of Housing and Property**

Date: 18th November 2008

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