

**THE HIGHLAND COUNCIL**

**Resources Committee – 11 June 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. This report seeks Members approval in respect of one transaction.

**2. Sales Transactions**

- 2.1 The Area Education, Culture and Sport Manager has instructed the Housing and Property Service to dispose of the property known as the Embo Community Centre (the former Embo School) to the Embo Community Centre Association for the nominal sum of £100.
- 2.2 The Embo Community Centre Association presently lets the former School from the Council on peppercorn terms and conditions. This long lease is due to expire on 1<sup>st</sup> April 2009. The tenant, Embo Community Centre Association has identified third party funding to provide a purpose built facility and refurbish the existing old school as art/craft workshops. In order to accomplish these plans the Centre Association wishes to acquire the former School subjects outright.
- 2.3 Local Members and the Ward Manager have been consulted by our client (21<sup>st</sup> April, 2008) and are happy with the proposals to dispose of the school at less than market value.

**3. Resource Implications**

- 3.1 The above proposal will relieve the Council of an obligation to maintain the former Embo school
- 3.2 The Council will forego a potential capital receipt estimated at £95,000 if the property was advertised on the open market and a willing purchaser identified. The current uncertain market conditions and the bespoke nature of this property mean that there is no guarantee that the property would be sold on the open market.

#### **4. Recommendation**

Members are asked to approve the disposal of the following property interests at below market value, subject to other terms and conditions to be agreed by the Director of Housing and Property in consultation with owning Services.

- 1.** The Council sells the subjects at Embo Community Centre to the Embo Community Centre Association on sub-market value terms subject to the Director of Housing and Property receiving 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: 29 May 2008

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