



To: Planning & Property Policy Board

On: 17th May 2016

Report by: Director of Finance & Resources

Heading: Co-op Wellmeadow Street, Paisley.

1. Summary

- 1.1 This report seeks authority for the Board to approve the provisional terms and conditions agreed with the Co-op for the disposal of the Council's ground lease interest of the premises at Wellmeadow Street, Paisley.
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2. Recommendations

It is recommended that the Board:-

- 2.1 Grant authority to the Head of Property and the Head of Corporate Governance to conclude the disposal of the Council's ground lease interest at Wellmeadow Street Paisley to the Co-op, on the basis of the main terms and conditions contained within this report.
- 2.2 Note that at this time, the offer received for the Council's interest is linked with the onward disposal by the Co-op of the subjects to Sanctuary Housing Association. The disposal price reported may require adjustment, should Sanctuary Housing Association not be satisfied with the site following site investigation.

- 2.3 Note that should the proposed disposal to Sanctuary Housing Association not proceed, for whatever reason, then both leases will remain in place.
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3. **Background**

- 3.1. Renfrewshire Council currently lease to the Co-op ground at Wellmeadow Street, Paisley from 21 March and 1 July 1983, on two separate 125 year leases both scheduled to terminate on the 21 March 2108 at an annual rent of 1p, if asked.
- 3.2. One lease is in relation to the building of a Supermarket and the other is in respect of the formation of a car park to serve the Supermarket. Both leases require the tenant to operate the premises for the specific purpose only, albeit the Council have in the past consented to the occupation by Renfrewshire Association for Mental Health (RAMH) as detailed in 3.4 below.
- 3.3. The Co-op who had operated from the Supermarket for close on 30 years closed their operation in late 2009, and proceeded to market the property as available for let or sale.
- 3.4. Despite a number of parties showing an interest over the years, the property has on the whole lain vacant except for a short period when Renfrewshire Association for Mental Health (RAMH) took occupation for storage purposes. Throughout this term the Co-op's agents continued to market the property and have recently reached a provisional agreement to dispose of the property to Sanctuary Housing Association
- 3.5. As Sanctuary Housing Association are not looking to operate a supermarket, but to develop the site for Social Housing, the Co-op requires the Council's agreement to dispose of its interest in the two ground leases to enable the proposed sale to proceed.
- 3.6. Should the sale proceed this will assist the West End Regeneration proposals as Sanctuary Housing Association look to develop the site for Social Housing.

4. **Provisional terms and conditions of Disposal;**

- 4.1 The Co-op has provisionally agreed to acquire the Council's two ground lease interests for the sum of £150,000 (one hundred and fifty thousand pounds sterling).
- 4.2 This is subject to the Co-op receiving a sum of £500,000 (five hundred thousand pounds sterling) from Sanctuary Housing Association.
- 4.3 Sanctuary Housing Association have offered the sum of £500,000 (five hundred thousand pounds sterling) for the site subject to the site being sold with no VAT election, and also the Association being satisfied with the ground conditions and that they can obtain appropriate planning consent for the redevelopment of the site.
- 4.4 Sanctuary Housing Association will meet the cost to demolish the existing supermarket.
- 4.5 Each party to this transaction shall meet their own legal and professional expenses incurred in concluding the bargain.
- 4.6 Any other reasonable terms and conditions considered necessary by the Head of Corporate Governance and the Head of Property to protect the Council's interest.

Implications of the Report

- 1. **Financial** – Capital Receipt of £150,000 will be received.
- 2. **HR & Organisational Development** – None.
- 3. **Community Planning** –

Wealthier & Fairer – This disposal will assist the West End Regeneration, bringing a new use into a redundant site..
- 4. **Legal** – Conclude the disposal of the Council's interest in the land at Wellmeadow Street Paisley, and bring to an end the two ground leases.

5. **Property/Assets** – As per this report.
 6. **Information Technology** – none.
 7. **Equality & Human Rights** -
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because no groups or individuals have any involvement currently at the property. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
 8. **Health & Safety** – none.
 9. **Procurement** – none.
 10. **Risk** – none.
 11. **Privacy Impact** – none.
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Notes:

Legend

 E2480, Area extends to 0.66 hectares or thereby