

ABERDEEN CITY COUNCIL

COMMITTEE	Finance, Policy and Resources
DATE	20 September 2017
REPORT TITLE	Proposed Purchase – Ground Wellington Road
REPORT NUMBER	CHI/17/216
DIRECTOR	Bernadette Marjoram
REPORT AUTHOR	Neil Strachan

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to advise members of the outcome of the instruction from this Committee to request the property be sold by the Scottish Government to the Council for £1.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:-

- a) Note and discuss the content of the report including the outcome of the request and response from the Scottish Government.
- b) Instruct officers to progress the preferred option from the options detailed in paragraph 3.10 and if appropriate instruct the Head of Legal and Democratic Services to conclude the purchase of the ground incorporating appropriate clauses to protect the Council's interest.

3. BACKGROUND/MAIN ISSUES

- 3.1 The Communities Housing and Infrastructure Committee of 13 January 2015 had a report titled A956 Wellington Road Corridor, a link to the report is below:

<http://councilcommittees/documents/s43368/A956%20Wellington%20Road%20Corridor.pdf>

Committee approved the report with the following decision:

- (i) To approve the land identified on the site of the former Craiginches Prison for the purposes of improving the transport corridor A956 Wellington Road and
- (ii) To instruct officers to enter into negotiations with the Scottish Government to seek transfer of the land into Council ownership at no

cost to the Council, noting that provision would be made within the capital programme as a contingency.

- 3.2 The Finance, Policy and Resources Committee of 1 December 2016 had a report title Purchase of Ground, Wellington Road, a link to the report is below:

<http://councilcommittees/documents/s64080/CHI.16.281-%20Purchase%20of%20ground%20Wellington%20Road.pdf>

The report recommended:-

that the Committee –

- (a) approve the recommendation that the ground detailed within the report is purchased for £230,000; and
- (b) agree that the Head of Legal and Democratic Services is instructed to conclude the purchase of the ground incorporating appropriate clauses to protect the Council's interest.

The Convener, seconded by the Vice Convener moved: that the Committee –

- (1) note the content of the report and agree to instruct officers to confirm to the Scottish Government that the Council no longer wishes to proceed with the purchase of this land at a £230,000 valuation but would consider purchasing the land for £1 as an act of goodwill given our £75m contribution towards the AWPR; and
- (2) instruct officers to report back to the Committee on the Scottish Government's response to the request.

The Committee approved the motion.

- 3.3 Following the Committee instruction a letter was formally issued to the Scottish Government with the request that the Council purchase the ground at £1. The Scottish Government confirmed in their letter dated 25 May 2017 which was received on 6 June 2017 that they were not prepared to sell the ground at £1. Within the letter the Scottish Government confirmed that they would still be prepared to sell the ground at the valuation that was established in the joint valuation undertaken in September 2016 which was £230,000. The valuation was based on an agreed basis of valuation in line with the Scottish Public Finance Manual.
- 3.4 In order to provide Committee with all the relevant information the Council instructed an update valuation of the site as it is 12 months since the last valuation. The Valuation Office Agency were instructed to update their valuation and in their opinion the value of the site based on the assumption that the site could have been included in the adjacent residential development site is £230,000 with a valuation date of 14 August 2017. The Valuation Office Agency were also requested to provide a valuation of the ground reflecting the current situation which is the ground within the ownership of Scottish Government is a strip of land between the current adopted highway and a neighboring housing development. Their valuation on this basis is £5,000.
- 3.5 In order to provide Committee with an update on the requirement for the land the Transportation Section of Planning and Sustainable Development were requested to provide an update and their update is below:

- 3.5.1 The Wellington Road Corridor Multi Modal Study STAG Part 1 (Scottish Transport Appraisal Guidance) is well underway identifying and assessing a range of options to meet the objectives for the study area. The objectives range from facilitating sustainable and active modes of travel, safety and improving air quality to managing pinch points and the efficient movement of freight.
- 3.5.2 The long list of options is currently being assessed including several reliant on increasing road capacity adjacent to the former HM Craiginches Prison site. Preliminary assessments, reviewing these options against the objectives, indicate the 'do nothing' scenario where the current road width and capacity remain unchanged offers no opportunities to deliver improvements; conversely it will likely undermine the objectives for the study area.
- 3.5.3 Preliminary assessments of the 'do something' scenarios where road capacity is increased indicate they will result in beneficial impacts supporting many of the study objectives. Therefore, whilst the STAG Part 1 study is not yet complete, it is likely that a 'do something' scenario with a widened road adjacent to the former prison site will deliver transport benefits over and above the current situation. It is also clear from the public and stakeholder engagement undertaken as part of this process that such an intervention will attract support.
- 3.5.4 Full reporting of the Wellington Road Corridor Multi Modal Study STAG Part 1 with detailed information on the assessment outcomes for the range of possible interventions is planned to be reported to Members of the Communities Housing and Infrastructure Committee at the turn of the year.
- 3.6 Taking into account there is still a desire from the Council to purchase this land for a future improvement of Wellington Road and that funding is available from the Strategic Land Acquisition budget it would seem reasonable to purchase the ground.
- 3.7 The valuations provided in paragraph 3.4 show a significant difference between the valuation assuming the land was still part of the larger development site and the current situation that the land has now been removed from the site and is a strip between the development site and the adopted road. If negotiations over the purchase of the ground were to be instigated now then the second valuation would be the one to be recommended for the purchase (albeit this is unlikely to have happened as the site would have been incorporated in the development of the former prison site). The Committee at its meeting in January 2015 stated a desire to use the ground for an improvement to Wellington Road and the Scottish Government acting in good faith removed the strip from their redevelopment plans. It would appear reasonable to expect the Council to pay based on the situation that was present in January 2015.
- 3.8 If agreement over the purchase of the ground cannot be reached it should be noted that as the ground is held within Scottish Government ownership the Council will not be able to compulsory purchase the subjects as the Roads

(Scotland) Act 1984 states that compulsory purchase powers do not apply to Crown land unless the relevant Crown authority agrees otherwise with the Roads Authority. It is unlikely that the Scottish Government would agree to a compulsory purchase.

3.9 The Council's Legal Service has been asked to comment on the situation and their advice is contained in section 5 below.

3.10 The options open to the Council are:

3.10.1 Purchase the ground at £230,000.

3.10.2 Request the Scottish Government sell the ground to the Council at its current market value of £5,000 ignoring any potential blight implications detailed in Paragraph 5.1.

3.10.3 Await the outcome of the STAG before instructing officers further.

3.10.4 Do not progress with the purchase at this time ignoring any potential blight implications detailed in Paragraph 5.1.

4. FINANCIAL IMPLICATIONS

4.1 The purchase cost of the land has been budgeted for within the Non-Housing Capital Programme project NHCP791 - Strategic Land Acquisition. Once purchased the ground will have to be maintained however its size and layout should not add a significant burden to the Council as the ground will be grassed so will only require periodic cutting.

4.2 The purchase of the ground now removes the need for negotiations in the future once the proposed road widening scheme is further developed thus saving the costs of the negotiation in the future which might have included the payment of compensation for the reduction in value of adjacent property. Further by purchasing the ground now this removes the need for a potential compulsory purchase order in the future for this area of ground should the exercise of compulsory purchase powers be possible i.e. in the event of a change of ownership or agreement by the Scottish Government to a Compulsory Purchase Order. It should be noted that if additional land is required for the scheme a Compulsory Purchase Order may still be required.

5. LEGAL IMPLICATIONS

5.1 See confidential appendix

5.2 If the approved option is to proceed to purchase the ground then there will be a requirement for the usual conveyancing formalities to protect the Council's position.

6. MANAGEMENT OF RISK

6.1 Financial

There is a financial risk that if the ground is purchased and the road improvement scheme does not progress in that there would be a long term maintenance burden. To mitigate this the ground will be maintained as road verge until required. If not required for the scheme the ground will continue to be maintained as road verge. If the ground is not purchased now the value of the land might change in the future which may increase or decrease the cost to the Council.

6.2 Employee

There is not expected to be any risk under this heading.

6.3 Customer / citizen

If the Council does not purchase the ground there is a risk that the customer may assume that the Council is not progressing with plans to upgrade Wellington Road.

6.4 Environmental

There is not expected to be any risk under this heading for this report. However any future report on the proposed road improvement scheme will cover all environmental issues in relation to any improvement scheme.

6.5 Technological

There is not expected to be any risk under this heading.

6.6 Legal

Any potential Legal risk is set out in section 5 above.

6.7 Reputational Risk

There is a reputational risk that as Committee instructed officers to seek to purchase the ground that if no purchase is progressed there could be a suggestion the Council is acting unreasonably which may have effects in future dealings with the Scottish Government.

7. IMPACT SECTION

7.1 Economy

The purchase of the ground will allow the potential improvement of Wellington Road which would potentially help traffic flow to Aberdeen City Centre. The purchase of the land voluntarily reduces the need for a compulsory purchase order and ensures the purchase of the land prior to the adjacent residential development being complete thus reducing the chance of any claims for reduction in value of adjacent properties.

7.2 People

By working with the Scottish Government property team the purchase of the ground will be undertaken earlier and will remove the uncertainty over the future of that area of ground from the adjoining owner. The securing of the site earlier creates the certainty for the Council's Road Service in knowing what

land they have available to undertake the scheme and may allow the scheme to progress without the need for a compulsory purchase order.

7.3 Place

The purchasing of the ground will ensure that the land is available for the road improvement scheme when the budget is available thus hopefully ensuring the improvement of the road at the earliest opportunity.

7.4 Technology

The proposal to purchase ground will have no significant effect on the Council's Technology programmes.

8. BACKGROUND PAPERS

8.1 None

9. APPENDICES

9.1 Appendix 1 - Copy of letter from Scottish Government

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