

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	17 June 2010
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Victoria House, West North Street – Future Use
REPORT NUMBER:	EPI/10/169

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### 1. PURPOSE OF REPORT

This Report seeks to update the Committee on a future option for this property, which is currently vacant. It advises of an approach by a Council Service for the possible future use of the property and recommends that it be transferred to that Service.

### 2. RECOMMENDATION(S)

It is recommended that the Head of Finance be instructed to conclude the transfer of the property from the General Services Account to the Housing Revenue Account, including the obtaining of Scottish Minister approval, if necessary, and subject to the approval of the Housing and Environment Committee at its meeting of 24 August 2010.

### 3. FINANCIAL IMPLICATIONS

The transfer of the property could generate a capital receipt for the General Services Account (GSA) during the current Financial Year with the transfer to the Housing Revenue Account (HRA) at the current Market Value of £600,000.

### 4. SERVICE & COMMUNITY IMPACT

Transfer of the property meets the single outcome agreement in relation to the efficient running of the Council and its property portfolio.

Transfer of the property will assist in the demolition of the property and will have wider benefits for the provision of the Council's Homelessness Service as a new Housing Access Centre shall be developed upon the cleared site.

The subjects have been declared surplus, and, as such, there are no Equalities and Human Rights Impact Assessment factors should the proposed transfer proceed.

## 5. OTHER IMPLICATIONS

There are no significant other implications in relation to the proposal from an Asset Policy (Non-Housing) perspective, although Finance resources will be required in the future to conclude the proposed transfer.

## 6. REPORT

Victoria House, identified on the attached plan, comprises a three-storey with attic detached former lodging house of traditional construction together with a single storey former church hall that faces onto West North Street, which is of stone wall and pitched slate roof construction. Both buildings are currently vacant and are in poor condition. The total site extends to 0.208 Hectares (0.513 Acres), or thereby.

The Resources Management Committee meeting of 26 February 2008 (Article 49) resolved, amongst others, that the property be declared surplus to Council operational requirements and that the Aberdeen Council of Voluntary Organisations (ACVO) be granted an option on the property for six months to allow a feasibility study to be undertaken and to prepare a Business Plan for development of it as a resource centre.

A Report was subsequently submitted to the Area Committee Central meeting of 1 April 2009 (Article 11) and the Resources Management Committee meeting of 5 May 2009 (Article 47), in which the Committees were advised that ACVO were not currently able to take their project forward. Accordingly, the Committees resolved that the Head of Resources Development & Delivery be authorised to proceed with the marketing of the property on the open market and report back to the Resources Management Committee in due course.

However, the former Head of Service, Housing Asset Management, on behalf of the Housing Revenue Account (HRA), subsequently expressed an interest in the possibility of acquiring this site from the General Services Account (GSA).

The Finance and Resources Committee of 28 January 2010 (Article 26) resolved to note the content of a Report that advised of work on an ongoing option appraisal for the property.

The Housing and Environment Committee on 16 February 2010 (Article 23) approved the recommendations contained in the Homelessness Accommodation Feasibility Study undertaken by external property consultants, Robinson Low Francis (RLF), which were to develop the preferred long term option and provide a purpose built Housing Access Centre on the site of Victoria House..



Accordingly, the Director of Housing and Environment has now confirmed that the Service wishes the property to be transferred to the HRA at a total of £600,000. This figure being the current Market Value (as at 31 March 2010), as advised by Ryden, the Council's external property contractors.

It is intended that the former lodging house be demolished together with the former church being retained for refurbishment to facilitate the proposed development of a Housing Access Centre for the Housing and Environment Service. This Centre is proposed to include 20 flats and 10 temporary accommodation units for the Homelessness to meet Care Commission Standards plus office accommodation for 30 staff members within the Housing & Community Safety Section of the Service.

The Director of Housing and Environment intends to submit a detailed Report on the proposals to the meeting of the Housing and Environment Committee on 24 August 2010.

Accordingly, the Committee is therefore invited to now approve the recommendation that the Head of Finance be instructed to conclude the transfer of the property from the GSA to the HRA, including the obtaining of Scottish Minister approval, if necessary, and subject to the approval of the Housing and Environment Committee at its meeting of 24 August 2010.

## 7. REPORT AUTHOR DETAILS

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## 8. BACKGROUND PAPERS

None.