

## ABERDEEN CITY COUNCIL

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COMMITTEE	Finance & Resources
DATE	17 June 2010
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Woolhillock Croft, Carnie, Skene
REPORT NUMBER:	EPI/10/173

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### 1. PURPOSE OF REPORT

The City Council own Woolhillock Croft, Skene, as identified on the attached plan and held on Common Good/ Trust Funds Account. On 29 December, 2009, the tenant of Woolhillock Croft, sadly died and the executors of her estate served notice on the City Council to bring the lease to an end at 28 May 2010. The report sets out the options for a possible disposal strategy and invites Members to determine a course of action.

### 2. RECOMMENDATION(S)

- (i) It is recommended that the Committee instructs the Head of Asset Management & Operations to advertise and then lease Woolhillock Croft on a 5 year Short Limited Duration Tenancy and;
- (ii) Instructs the Head of Legal & Democratic Services to formally conclude the lease on terms and conditions as are necessary to protect the City Council's interests.

### 3. FINANCIAL IMPLICATIONS

If the Committee approves the recommendation then the Common Good/ Trust Funds Account will receive revenue income of circa £5,000 per annum from November 2010 for the 5 year duration of the Short Limited Duration Tenancy (S.L.D.T.)

The landlord may have circa £6,000 to £8,000 to spend to comply with its obligations under the Agricultural Holding Act and other legislation.

In the intervening period, officers will continue to promote the area for development in forthcoming Aberdeenshire Local Plans. In the event that a future Aberdeenshire Local Plan approves the change of use to a non agricultural use then the City Council could generate a capital receipt at the end of the 5 year S.L.D.T. lease.

There are no state aid implications arising from the recommendations contained within this report.

#### 4. SERVICE & COMMUNITY IMPACT

The Single Outcome Agreement identifies a requirement to efficiently manage the City Council's resources.

There are no Equalities or Human Rights Impacts identified with the recommendations within this report.

#### 5. OTHER IMPLICATIONS

Asset Policy (Non Housing) resources will be required to market the property, and legal resources will be required to complete any lease.

#### 6. REPORT

- 6.1 Woolhillock Croft, consists of a small three bedroom house, a small traditional steading building, and 8.1 hectares (20.1 acres) or thereby of land (as identified on the attached plan). It is located south of the B9119 Aberdeen to Ballater Road, and is accessed from the roundabout adjacent to the Acergy Building on the Tarland Road
- 6.2 The Croft is part of the Lands of Skene, south and west of Westhill, Aberdeenshire, owned by the City Council and held on the Common Good / Trust Funds Account. The Lands of Skene extend, in total, to 260 Hectares (644 acres) or thereby.
- 6.3 The tenant of the Croft, Mrs Alexandrina Ross sadly died on 29 December 2009, and the executors of her estate served a notice on the City Council to bring the current Agricultural lease to an end at the term date of 28 May 2010.
- 6.4 In terms of delegated powers, our officers would, at this point, normally follow a process of advertising Woolhillock Croft, for lease on the open market, in an attempt to find a new agricultural tenant. The case has unusual features, however, that would justify a more considered analysis of the options.
- 6.5 Woolhillock Croft is small to be leased as a viable farm, with small fields separated by drystone walls; however, the report author has received informal, unbidden indications of interest in leasing the Croft.
- 6.6 Ryden, the City Council's term Contractor, were commissioned to produce a Market Report for Woolhillock Croft. In capital value terms, they estimate a figure of circa £250,000 for the sale of Woolhillock Croft house, and a figure of circa £100,000 for the sale of the steading building subject to the granting of planning permission for conversion to a single residential unit. They also estimate a figure of £55,000 for the land at Woolhillock, assuming continued agricultural use of that land.

- 6.7 In rental value terms, they advise that following redecoration/refurbishment of the house it would achieve circa £9,600 per annum if leased. Any lease of the house, however, unless it was let with agricultural land exceeding two acres in extent, would create a Scottish Secure Tenancy and could trigger the right to buy under Housing legislation. The Head of Legal & Democratic Services would not recommend the leasing of the house on this type of tenancy.
- 6.8 They also advise that the agricultural land could be let for circa £1,500 per annum, but the steading building may have to be included in the lease with the land.
- 6.9 They advise that to let Woolhillock Croft (house, steading and land) on a 5 years Short Limited Duration Tenancy would give a rental in the region of £5,000 per annum.
- 6.10 To lease Woolhillock Croft on a Short Limited Duration Tenancy, the City Council as Landlord may have to spend circa £6,000 to £8,000 at the start of the lease, to carry out essential repairs to the farm, to comply with our Landlord's obligations under the Agricultural Holdings Act and other legislation.

## 7. PLANNING

- 7.1 In terms of the adopted Aberdeenshire Local Plan (2006), Westhill is a main settlement in the Garioch Area, lying within the Aberdeen Housing Market Area. Woolhillock Croft is located outwith the settlement boundary and therefore lies in the countryside.
- 7.2 At present, any housing development on Woolhillock Croft would be subject to Local Plan Policy Hou4: New Housing in the Countryside. This would only permit the erection of a new house if it is for a full time worker in an enterprise appropriate to the countryside, and where the presence of that worker is essential to the enterprise. The conversion of a non-residential vernacular building for housing will be approved, in principle, if the original building contributes to the traditional character and landscape of the area. In terms of that Policy, it may be possible to obtain planning permission for the steading building to be converted to a residential property.
- 7.3 Any employment development would be subject to Local Plan Policy Emp3: which would require the developer to demonstrate an economic need, and that the benefits to the community outweigh any adverse environmental impacts. He would also require to show that the development respects the natural and built environment and protects the character and amenity of the surrounding area.
- 7.4 Aberdeenshire Council, in preparing their Local Development Plan, invited bids from developers to identify land suitable for development. The City Council tendered a development bid for some of the land on Lands of

Skene, shown as part of G139 and G140, (on the attached Development Bid Plan), however, Woolhillock Croft was not included in that bid. It is therefore unlikely to be considered by Aberdeenshire Council, as Planning Authority, for any sizeable development in the near future, however, it does lie adjacent to Development Bid G47, submitted by a third party.

- 7.5 It is unlikely that a proposed residential or commercial development of any size would be acceptable, in planning terms, in the near future, on Woolhillock Croft, other than the conversion of the steading building into a residential unit, however, it would be prudent to give consideration to protect the Council's position in the medium to long term.
- 7.6 In considering the most appropriate course of action for the City Council, as Landlord, the Committee are faced with a number of options, namely :-
- a) to advertise Woolhillock Croft to let on an agricultural lease, on a 5 year Short Limited Duration Tenancy, leaving the way open for the City Council to reconsider the matter, should the planning designation of the site be changed at some point in the future. The Short Limited Duration Tenancy does not give the tenant the right to buy under the Agricultural Holdings (Scotland) Act 2003, and the Council will gain vacant possession of the land, house and building at the end of the lease.
  - b) to advertise the house and steading for outright sale, on the open market, after the City Council has sought and obtained planning permission to change the use of the steading to residential, rather than agricultural use. In such a sales strategy, small areas of land would require to be included with both house and steading and the remaining area of land leased on a 5 year Short Limited Duration tenancy. This option may lead to the purchasers of the house and steading strongly objecting to any future planning application for a change of use in the land, should the Council try to have it re-designated in the future.
  - c) to advertise Woolhillock Croft for outright sale, on the open market for the house, steading and land. This option would not allow the Council to benefit from any future change in the planning designation, but would produce the best capital receipt at the present time.

## 8 CONCLUSION – OFFICER'S ADVICE

- 8.1 Given that the current commercial developments at the north side of the B9119 are less than 500 metres from the boundary of Woolhillock Croft, and that a number of roundabouts have been constructed on that road with spurs leading to the south, it's not impossible that, at some point in the future, the planning designation of Woolhillock Croft might change to permit a different, higher value use than agriculture.

- 8.2 It would therefore be prudent for the Council to retain an interest in Woolhillock Croft rather than selling it on the open market (and possibly realising aggregate capital receipts of circa £400,000). Leasing it on a 5 year Short Limited Duration Tenancy would give the Council the opportunity to regain vacant possession of the land in 5 years time, and to continue to promote this land through future Local Development Plan processes. If the City Council is ultimately successful in this, the capital value of Woolhillock Croft could be many times greater than £400,000.
- 8.3 Therefore the advice of the Head of Asset Management & Operations is that to lease Woolhillock Croft on a Short Limited Duration Tenancy is the best option for the Council to potentially realise the full development potential of the property at some point in the future.

## 9.REPORT AUTHOR DETAILS

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**Please note that due to the status of the land, this report will be submitted to the Guildry & Mortifications Funds Board prior to the Finance and Resources Committee meeting. The Board's views will be either included in the final draft of the report, or orally advised to Members on 17 June.**

## 10 BACKGROUND PAPERS

Aberdeenshire Local Plan.

Aberdeenshire Council, Main Issues Report.

[http://www.aberdeenshire.gov.uk/planning/localplan\\_new/issues/16.9mb20090009364MainIssuesReport7Garioch.pdf](http://www.aberdeenshire.gov.uk/planning/localplan_new/issues/16.9mb20090009364MainIssuesReport7Garioch.pdf)

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