

# Finance and Resources Committee

10.00am, Thursday, 23 May 2019

## Land at Cheyne Street, Edinburgh – Proposed Disposal

Executive/routine	Routine
Wards	5 – Inverleith
Council Commitments	<a href="#">2</a>

### 1. Recommendations

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1.1 That Committee:

- 1.1.1 Approves the sale of 195 sq m (2,099 sq ft) of land at Cheyne Street to LifeCare Edinburgh on the terms outlined in this report and on other terms and conditions to be agreed by the Executive Director of Resources.

**Stephen S. Moir**

Executive Director of Resources

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# Report

## Land at Cheyne Street, Edinburgh – Proposed Disposal

### 2. Executive Summary

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- 2.1 LifeCare Edinburgh is a charity for the elderly based in Cheyne Street, Edinburgh where they operate care services.
- 2.2 It has emerged that an extension to the property, which was built in the 1980s has, in part, been constructed on land within the ownership of the Council.
- 2.3 LifeCare Edinburgh has approached the Council to purchase the area of land in question.

### 3. Background

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- 3.1 LifeCare Edinburgh (LifeCare) is a charity for the elderly who operate registered care services at Cheyne Street. During the late 1980s, LifeCare constructed an extension to the property.
- 3.2 A recent title check by LifeCare's solicitor identified that part of the extension had been constructed on land owned by the Council. The area in question extends to 195 sq m (2,099 sq ft) as shown outlined in red on the attached plan. The blue shaded area on the plan shows the land currently in the ownership of LifeCare.
- 3.3 It appears that the original encroachment happened in good faith with LifeCare mistakenly believing that they owned the land. Consequently, to rectify the title position, LifeCare approached the Council requesting that the land is declared surplus to allow it to be sold to the charity.
- 3.4 The land is held on the Housing Revenue Account.

### 4. Main report

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- 4.1 After negotiation, the following terms have been provisionally agreed for the sale of the land to LifeCare:
  - Purchaser LifeCare Edinburgh;
  - Price £100,000;

- **Conditions**                      A redevelopment clause will be included whereby the permission of the Council would be required should LifeCare seek to develop the property for an alternative use. The clause will have an agreed time limit;
- **Fees**                                      Each party to meet their own fees and expenses.

4.2 While there are several approaches that could be taken to the valuation of the land, the purchase price in this instance reflects the market value based on existing use as part of a charity operated care home. The Council will seek to protect its position moving forward, via a clawback, should the entire property holding be sold on for alternative uses.

## **5. Next Steps**

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5.1 If Committee approval is granted, the Council will seek to enter into a missive for the sale of the land with LifeCare in accordance with the terms and conditions outlined within this report.

## **6. Financial impact**

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6.1 A capital receipt of £100,000 will be received in financial year 2019/20.

## **7. Stakeholder/Community Impact**

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7.1 Ward elected members have been made aware of the recommendations of this report.

7.2 As the land has been used as an extension to the building for over 20 years it is not considered that the outcome of the report will have an adverse effect on Housing Revenue Account tenants in close proximity.

## **8. Background reading/external references**

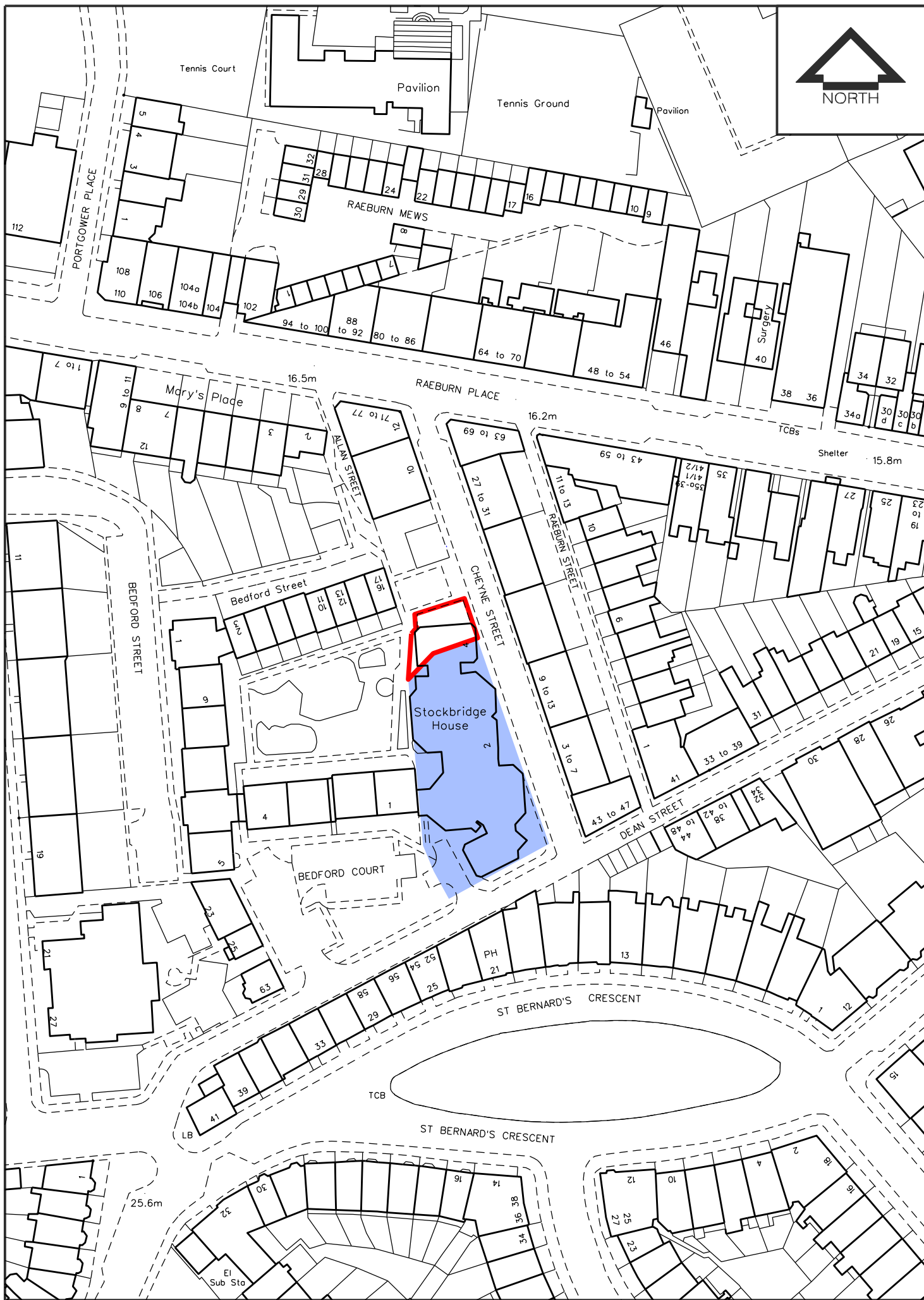
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8.1 N/A.

## **9. Appendices**

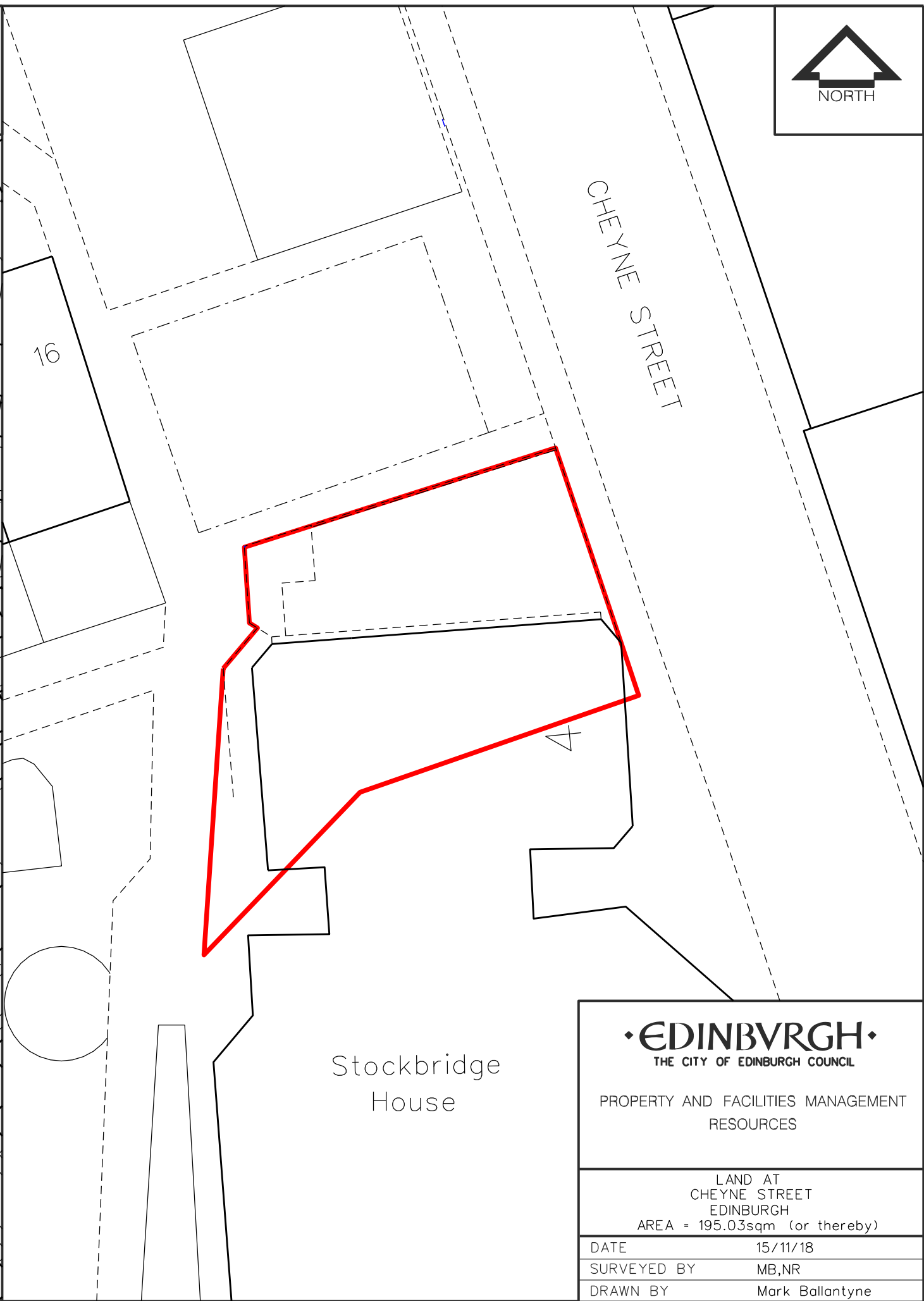
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9.1 Appendix 1 – Location Plan



LOCATION PLAN

SCALE 1:1250



SITE PLAN

SCALE 1:200

<b>• EDINBURGH •</b> THE CITY OF EDINBURGH COUNCIL	
PROPERTY AND FACILITIES MANAGEMENT RESOURCES	
LAND AT CHEYNE STREET EDINBURGH AREA = 195.03sqm (or thereby)	
DATE	15/11/18
SURVEYED BY	MB,NR
DRAWN BY	Mark Ballantyne
SCALE	1:200 @ A3 SIZE
NEG. NO.	A3/2030