

## ITEM No ...9.....

**REPORT TO:** CITY DEVELOPMENT COMMITTEE – 25 JANUARY 2021

**REPORT ON:** DISPOSAL OF SURPLUS PROPERTY – DUDHOPE CASTLE

**REPORT BY:** EXECUTIVE DIRECTOR OF CITY DEVELOPMENT

**REPORT NO:** 39-2021

### **1 PURPOSE OF REPORT**

- 1.1 To seek approval for the marketing of Dudhope Castle, subject to the restrictions and guidance contained within this report.

### **2 RECOMMENDATION**

- 2.1 It is recommended that the Committee:
- a notes the previous decision of the Council where Members approved the closure of Dudhope Castle, which is now closed and surplus to operational requirements; and
  - b remits the Head of Design and Property to market the subjects as shown on Appendix 1, for disposal, subject to the restrictions set out in the report.

### **3 FINANCIAL IMPLICATIONS**

- 3.1 The sale will result in a capital receipt which will be reported to Committee, in due course, as part of the request for approval to sell. Sale of the subjects will also enable the Council to realise the saving of property holding costs, amounting to circa £137,000 per annum, which were taken as part of the 2016/17 revenue budget savings.

### **4 BACKGROUND**

- 4.1 Reference is made to previous reports approved by the Policy & Resources and City Development Committees:
- a Article II of the minute of the meeting of the Policy & Resources Committee held on 25 February 2016 wherein Members approved the closure of Dudhope Castle, amongst a number of operational buildings, with a view to disposing by lease or sale, to obtain prospective savings which would be further augmented by income from the disposal.
  - b Article II of the minute of the meeting of the City Development Committee held on 28 October 2019 when Members were updated on the ongoing challenges facing the corporate revenue budgets managed by City Development and measures being taken by council officers to address the areas where a recurring overspend on corporate property has been identified.
- 4.2 With services due to be relocated to East City Square on completion of the West City Square refurbishment programme, and having had further dialogue with all services involved, it will be possible to maintain the current service delivery model and progress with the permanent closure of Dudhope Castle. Staff will continue with service delivery remotely and from Dundee House where desk and office provision has been made available to ensure continuity of service delivery in the interim. On this basis it is now possible to declare Dudhope Castle as surplus and accordingly market the subjects for redevelopment.
- 4.3 The services housed within Dudhope Castle have been delivered remotely and from alternative accommodation during the lockdown period. This arrangement has continued as the Council progresses through the Scottish Government COVID-19 recovery route map. While services had previously been delivered successfully from the castle, it is limited in flexibility of space and has restricted access. As with a building of this nature the

maintenance and running costs are excessively high for the levels of staffing and services provided.

- 4.4 Property holding costs referenced in paragraph 3.1 of this report, include standing charges for utilities, business rates, security, insurance and maintenance. The Council's property team will continue to maintain security and preserve the building fabric, in its current condition, until such time as the proposed disposal has concluded. The investment and maintenance of the property after the disposal will be conditioned through the sale missives.

## **5 DISPOSAL OF THE SUBJECTS**

- 5.1 Members will be aware of the Category A historic listing of the castle. Preliminary discussions have taken place with the Planning Service, regarding possible future uses of Dudhope Castle, to ensure the use will maintain the historic features of the castle. The subjects are likely to be suitable for redevelopment as hotel, offices, serviced apartments, or residential.

- 5.2 The Council's Planning Service has advised that preservation of existing external features surrounding the castle, including the historic lamp posts and floral garden, would be expected. In addition, the public car parking, east of the castle, will be retained as part of the overall parking strategy for the city. Due to its setting, the current staff parking, could be utilised as part of the redevelopment opportunity, respecting the important nature and listing of the existing castle. Redevelopment of the subjects will ensure the condition and integrity of the building does not deteriorate over time and secures the long-term future of an important heritage building.

- 5.3 The area shown hatched on the attached plan, which includes the formal garden to the east of the Castle and the Category B listed well to the south, will require to be preserved to protect the setting of the listed building. No new building would be permitted in this area. The Category A listed castle itself would require to be sensitively restored and converted to retain its character through high standards of conservation and design, and by using traditional materials and techniques. The area shaded on the attached plan (currently used as the staff car park), will be suitable for limited new build development, which will add to the viability for prospective developers. Examples of sensitive new build development incorporated within, or adjacent to historic and listed buildings include the nearby Dundee Royal Infirmary development on Infirmary Brae and the former Park View School, Blackness Road.

- 5.4 Noting the importance of the buildings and location, it will be expected that prospective purchasers will require to evidence high quality development credentials and significant levels of sensitivity to their development proposals and how they might impact the building and local environment. As such, any prospective purchaser will be expected to enter pre-application discussions with the Council's Planning Service as well as engaging with Historic Environment Scotland. Development phasing and restoration is likely to be required as a condition of any planning permission that would be required prior to disposal being finalised and redevelopment commencing.

- 5.5 The Head of Democratic and Legal Services has provided title information and legal advice confirming the Council's rights in terms of the proposed disposal of this historic building.

- 5.6 Once a suitable marketing period has been completed, offers will be scrutinised by the Council's RICS registered valuers and a report, outlining any suitable offers, will be brought to Members, with associated recommendations.

## **6 POLICY IMPLICATIONS**

- 6.1 This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

**7 CONSULTATIONS**

7.1 The Council Management Team have been consulted in the preparation of this report and are in agreement with its content.

**8 BACKGROUND PAPERS**

8.1 None.

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Executive Director of City Development

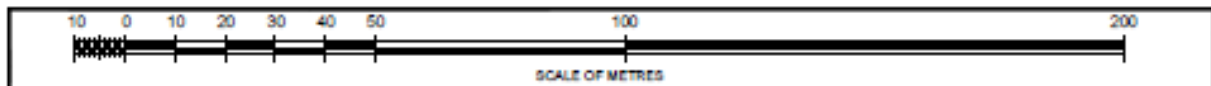
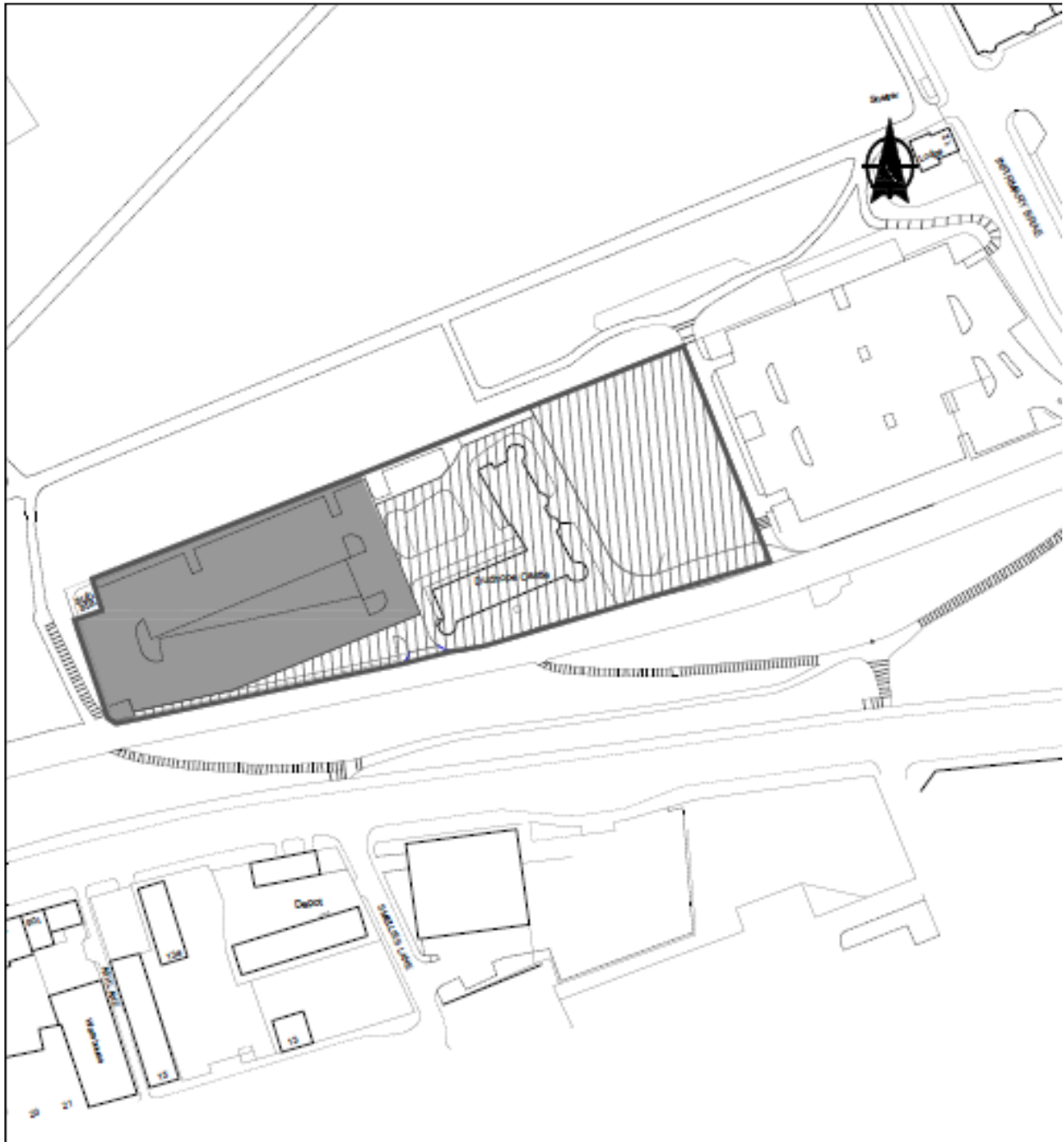
Dundee City Council  
Dundee House  
Dundee


NM/CC/AK/KAS

14 January 2021



## APPENDIX 1



ADDRESS:  MARKETING PLAN DUDHOPE CASTLE	REF:	Reproduced by permission of Ordnance Survey on behalf of HMSO. © Crown Copyright and database right 2012. All rights reserved. Ordnance Survey Licence number 100023371.
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