

The Highland Council

Planning, Development and Infrastructure Committee 4 November 2015

Agenda Item	17
Report No	PDI 72/15

Purchase of Site at Blar Mor, Fort William for Homologation

Report by Director of Development and Infrastructure

Summary

This report details the purchase of the Blar Mor site at Fort William by the Council, working with NHS Highland and the University of the Highlands and Islands. The report is for homologation.

1 Introduction

- 1.1 The Blar Mor site at Caol, Fort William has planning permission for a retail park and other uses, including a new police station, potentially a new hospital and other community uses.
- 1.2 Miller Developments, the owners of the overall site, have sold two areas of land: one for a police station, which has subsequently been built; and another 8.3 acre site to Tesco for a new supermarket. Millers also gifted 10 acres of land for community uses to the Highland Council. The overall area is effectively a peat bog, with the exception of Tesco's land, which has had the peat removed to another area of the site and is a fully serviceable area of land.
- 1.3 The serviced site has the potential to provide:
 - a site for a new hospital for Lochaber and the wider area;
 - a site for a science, technical and construction training centre for further and higher education students by West Highland College, part of the University of the Highlands and Islands (UHI). This project is strongly supported by the UHI and by the Scottish Funding Council;
 - a small development, such as a medical research centre, by Highlands and Islands Enterprise; and
 - the building of a new Hospital which will, in the future, release the site of the current 50 year old building, close to the centre of Fort William, for building much needed local housing by the Highland Council and Lochaber Housing Association.

NHS have identified the Blar Mor site as the preferred location for a replacement for the current Belford Hospital, and UHI have also identified the site as the preferred location for the stem centre referred to above.

2 Sale of Tesco's Site

- 2.1 Due to deteriorating supermarket market conditions, and sales forecasts for Tesco nationally, Tesco have decided to sell around ten development sites in Scotland, including the Blar Mor site in Fort William. The closing date was set for 22 May 2015.

- 2.2 The Highland Council was contacted by the NHS and UHI to consider purchasing the site in our role as part of the Community Planning Partnership. The Scottish Government (John Swinney) was lobbied, and gave its support for this partnership approach.
- 2.3 The Highland Council, NHS and UHI agreed to work in partnership to secure the Blar Mor Tesco site, given its strategic importance to the area. The value of the site was assessed by independent valuers, Graham and Sibbald, assuming 4.5 – 5 acres were required for a hospital and the remainder of the site being used for commercial or housing purposes. The value took into account the abnormal costs of developing the other areas of land due to the peat removal, based on the costs associated with the new police station. Working with its partners, the Council's offer to purchase at £2,000,000 was accepted.

3.1 **NHS Position**

NHS Highland have agreed that:

- a. if NHS proceeds to develop a new hospital on the site, NHS will purchase the area of the site required for the new hospital and ancillary land. The value of the land will take into account the costs of delivering the new hospital on the alternative site at Blar Mor;
- b. NHS will sell the Belford Hospital site directly to The Highland Council. The value of the site will be agreed between the District Valuer acting for the NHS and the Council, taking account of the demolition and other abnormal costs of the site. The value of the Belford site will be deducted from the value of the NHS contribution for the Blar Mor site; and
- c. if, for whatever reason the NHS does not proceed with the Blar Mor site, NHS agree to underwrite the Highland Council for any losses incurred by the Council in disposing of, or developing the site for alternative uses, up to the agreed value of the hospital site and 50% of the residual business land.

4 **The Highland Council Position**

- 4.1 The Highland Council acted in an enabling role for the NHS and UHI to secure a strategic site for a new hospital, and potentially a new STEM centre for the college. If the new hospital does not proceed, the Blar Mor site could be developed for housing and business uses.
- 4.2 A report to the Administration Leaders in July proposed to use the Council's Landbank Fund to secure the purchase, in order that this strategic site could be secured and that the Council could obtain the Belford Hospital site for housing. The Administration Leaders approved the purchase, which was successfully concluded on 2 October 2015 by the Director of Development and Infrastructure, after consultation with the Chair of the Planning, Development and Infrastructure Committee.

5. Implications

- 5.1 Resource and Legal; Climate Change/Carbon Clever
If the NHS does not proceed with the Blar Mor site, they have agreed to underwrite any losses incurred and the Council would use the land for housing or business use.
- 5.2 Risk, Gaelic, Equality, Rural
There should be no risk, Gaelic, equality or rural implications arising from this report.

Recommendations

It is recommended that Planning, Development and Infrastructure agree to homologate the purchase of the Blar Mor site from Tesco.

Designation: Director of Development and Infrastructure

Date 27 October 2015

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