

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>24 January 2024</b>
Report by:	<b>Executive Director - Community and Enterprise Resources</b>

Subject:	<b>Commercial Opportunities</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to: -

- ♦ provide an update on the work being undertaken to explore commercial opportunities for the Council

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:

- (1) to note the work being undertaken to explore commercial opportunities.

## 3. Background

3.1. The medium-term position regarding the Council's budget means that the Council needs to consider commercial opportunities to generate income. This report sets out the various opportunities which have/are being explored by the Head of Enterprise and Sustainable Development.

3.2. It is worth highlighting that there are regulations that restrict council activity on investing in commercial opportunities purely for financial gain. This can be managed if investments can be linked to economic / regeneration outcomes.

## 4. Town Centre Regeneration

### 4.1. Civic Centre, East Kilbride

4.1.1. Working with colleagues in Property, Finance and Legal Services, Enterprise and Sustainable Development have been preparing proposals for a 130,000sqft Grade A office accommodation for an occupier on the Civic Centre site in East Kilbride. Heads of Terms had also been agreed with an investor who would deliver the project once 'preferred developer status' had been confirmed. The Heads of Terms would have secured a capital receipt for the site, taking account of the demolition costs of the building.

4.1.2. Unfortunately, the occupier is no longer seeking a new build development but instead has identified existing premises within East Kilbride to which to relocate. Whilst this opportunity would have realised a modest capital receipt for the Council, it would have also removed a liability and acted as the catalyst for the redevelopment of the wider town centre.

4.1.3. Given the extent of the design work undertaken to develop the proposal, it is intended to take the opportunity to the market early in 2024 to seek an alternative occupier.

#### 4.2. East Kilbride Shopping Centre

4.2.1. On 13 September 2023, Committee approved the East Kilbride Town Centre masterplan as the basis for the future strategic approach to investment. Since that time, Enterprise and Sustainable Development together with colleagues in Property, Housing and Finance have been undertaking an options appraisal for the redevelopment of the existing Centre West site as a new residential neighbourhood, which the Council owns the ground lease. A potential investor has been identified, however, other delivery methods have also been identified and are being explored.

4.2.2. Discussions are also continuing with the administrators of the shopping centre regarding the relocation strategy of the remaining retail units with Centre West and when vacant possession may be achieved.

4.2.3. A more detailed report will be brought to Committee in due course once a preferred delivery method has been identified, together with proposed timeline and associated risks for the Council.

#### 4.3. Hamilton Town Centre

4.3.1. Work is concluding on the preparation of a masterplan for Hamilton Town Centre which will include proposals for the New Cross Centre, which the Council owns, and the Regent Centre, which the Council has the ground lease. Members will be briefed on the masterplan in the coming weeks and a formal report will be presented to the Executive Committee in February, however, there will be opportunities for the Council to dispose of assets and/or work in partnership with the private sector to realise new residential developments.

#### 4.4. Inward Investment

4.4.1. Scotland's Inward Investment Plan: Shaping Scotland's Economy sets out the national approach to targeting and attracting inward investment. Scottish Development International (SDI) is Scotland's trade and inward investment agency. SDI engage with major businesses and investors from around the world to encourage them to do business in or with Scotland. Over the last 12 months, the Council has sought to strengthen its relationship with key SDI representatives and tap into the inward investment opportunities it can provide. However, it is apparent that more could be done to strengthen the Council's approach to inward investment.

4.4.2. A report on Inward Investment will be presented to the Community and Enterprise Resources Committee in February, however, the Executive Committee should be aware of the following opportunities:-

- ◆ review of Council owned land and sites for disposal
- ◆ review of Council's industrial portfolio and opportunities to create new revenue streams e.g. Cathcart Place in Rutherglen where a Regeneration Capital Grant Fund application has been made to support the delivery of new industrial space

#### 4.5. Renewable Energy

4.5.1. Discussions have taken place with a wind farm operator regarding a potential joint venture in the delivery and operation of a wind farm. The scale of the investment

would likely be significant and, given changes in legislation, this commercial investment would now not be possible.

4.5.2 Officers are also exploring opportunities for battery storage and solar array on Council own land. Discussions are taking place with Scottish Power Energy Networks and North Ayrshire Council who have established a solar photovoltaic farm which is estimated to generate £12.8m over a 20-year period.

4.5.3. Likewise, district heating opportunities are being explored with colleagues in Technical Services including delivery models.

4.5.4. Officers are also exploring commercial delivery models for electric vehicle charging to be rolled out across Glasgow City Region.

## **6. Next Steps and Timescales**

6.1. There are a number of opportunities being explored which have varying timelines. Separate reports will be brought to Committee as opportunities crystallise, and approvals sought.

## **7. Employee Implications**

7.1. Opportunities are being led by officers within Enterprise and Sustainable Development Service.

## **8. Financial Implications**

8.1. There are no financial implications of this report. The opportunities being explored aim to ultimately generate income for the Council and, in the short to medium term, contribute to future year's budget strategies.

## **9. Climate Change, Sustainability and Environmental Implications**

9.1. Any project will be taken forward in line with the Council's sustainability objectives.

## **10. Other Implications**

10.1. A number of the opportunities being explored have current and future liabilities for the Council which require to be mitigated. Disposal and redevelopment must be actively considered, which may incur some upfront expenditure.

## **11. Equality Impact Assessment and Consultation Arrangements**

11.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy, therefore, no Impact Assessment is required.

11.2. Consultations have taken place with a number of Resources and will continue to do so as projects are developed.

**David Booth**

**Executive Director (Community and Enterprise Resources)**

8 January 2024

## **Link(s) to Council Values/Priorities /Outcomes**

- ◆ Ambitious, self-aware and improving
- ◆ Fair, open and sustainable
- ◆ Working towards a sustainable future in a sustainable environment

- ◆ Thriving business, fair jobs and vibrant town centres

### **Previous References**

- ◆ None

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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