

Report

Report to:	Estates Committee
Date of Meeting:	27 June 2006
Report by:	Executive Director (Enterprise Resources)

Subject:	Proposed Sale of Land at Westburn Drive, Cambuslang
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ report on the Heads of Terms that have been agreed in connection with the disposal of Plot 1 of the Cambuslang Investment Park (CIP-3), and to seek approval to conclude the sale of this site to Graham Dairies Ltd.

2 Recommendation(s)

2.1 The Committee is asked to approve the following recommendation(s):-

- (1) that the disposal of Plot 1 at CIP-3 extending to some 1.32 hectares (3.26 acres) or thereby to Graham Dairies Ltd for the sum of £405,000 exclusive of VAT be authorised.
- (2) that the net proceeds of this disposal (after deduction of overage payment) be split equally between the Council and Scottish Enterprise Lanarkshire as joint funders of the project.
- (3) that the Executive Director (Enterprise Resources) be authorised to conclude all matters and enter into the necessary legal agreements on terms which are in the best interests of the Council to complete the disposal of the above plot.

3 Background

- 3.1 The Enterprise Resources Committee of 12 December 2001 approved proposals to develop a strategic industrial estate at Clydesmill, Westburn Drive, Cambuslang.
- 3.2 5.67 hectares (14 acres) of land were acquired by the Council. The main aim of the project was to create serviced industrial plots that could be sold onto companies for owner occupied development. The target market was identified as expanding local companies, companies being displaced by the completion of the M74 project and inward investors. The Council has previously sold other plots within the investment park. One is currently occupied by Albion Chemicals and Greggs have been granted planning consent for a new bakery on a further three plots within the estate.
- 3.3 Grahams Dairies is a well established family run business which has a network of depots across the country. The lease on the existing site at Hillhouse Industrial Estate expires in October 2006. The Clydesmill site will facilitate its relocation to allow for the development of purpose built facilities comprising 8,000sq ft of office and distribution floorspace and 7,000sq ft of vehicle maintenance. It also importantly has capacity for potential growth in line with the company's investment strategy. In

terms of employment, the 50 jobs at the existing Hillhouse Industrial Estate plant will be safeguarded and there is the potential for additional employment opportunities as part of any expansion

- 3.4 In developing the serviced industrial estate, works have comprised flood mitigation, the construction of an access road and the installation of public utilities. The project was jointly funded by Scottish Enterprise Lanarkshire and the Council together with grant aid from the European Regional Development Fund. Disposal proceeds are to be split equally between the Council and SEL.
- 3.5 There is also an obligation to make an overage payment to the parties from whom the Council acquired the unremediated/unserved lands that now comprise CIP-3. This overage amount is the sum of £47,650 which will be split between Kelvinside Industrial Business Space Ltd and the LB Group respectively, who were the original owners of the site.

4 Proposals

- 4.1 It is proposed, therefore to dispose of the lands known as Plot 1 at CIP-3 as outlined on the indicative plan attached on the following principal terms:
- Plot 1 extending to 1.32 hectares (3.26 acres) or thereby to the firm of Robert Graham & Son Ltd for the sum of £405,000 exclusive of VAT.
 - The resultant net capital receipt to the Council, after deduction of the overage payment and payment to SEL is the sum of £178,675.

5 Employee Implications

- 5.1 There are no employee implications.

6 Financial Implications

- 6.1 Disposal of Plot 1 will generate a net capital receipt to the Council of £178,675.

7 Other Implications

- 7.1 There are no other implications.

8 Consultation

- 8.1 All necessary consultations with Roads and Transportation, Planning and Building Control, Estates and Legal Services have taken place. In addition, extensive consultation and reports have been obtained from the Council's consultants, Ironside Farrar and FG Burnett, Chartered Surveyors, Glasgow.

Iain Urquhart
Executive Director (Enterprise Resources)
8 June 2006

Link(s) to Council Objectives

- None

Previous References

- Estates Committee 31 May 2005
- Enterprise Resources Committee 12 December 2001
- Enterprise Resources Committee 30 May 2001

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Jack McCorkell, Project Manager, Regeneration Services

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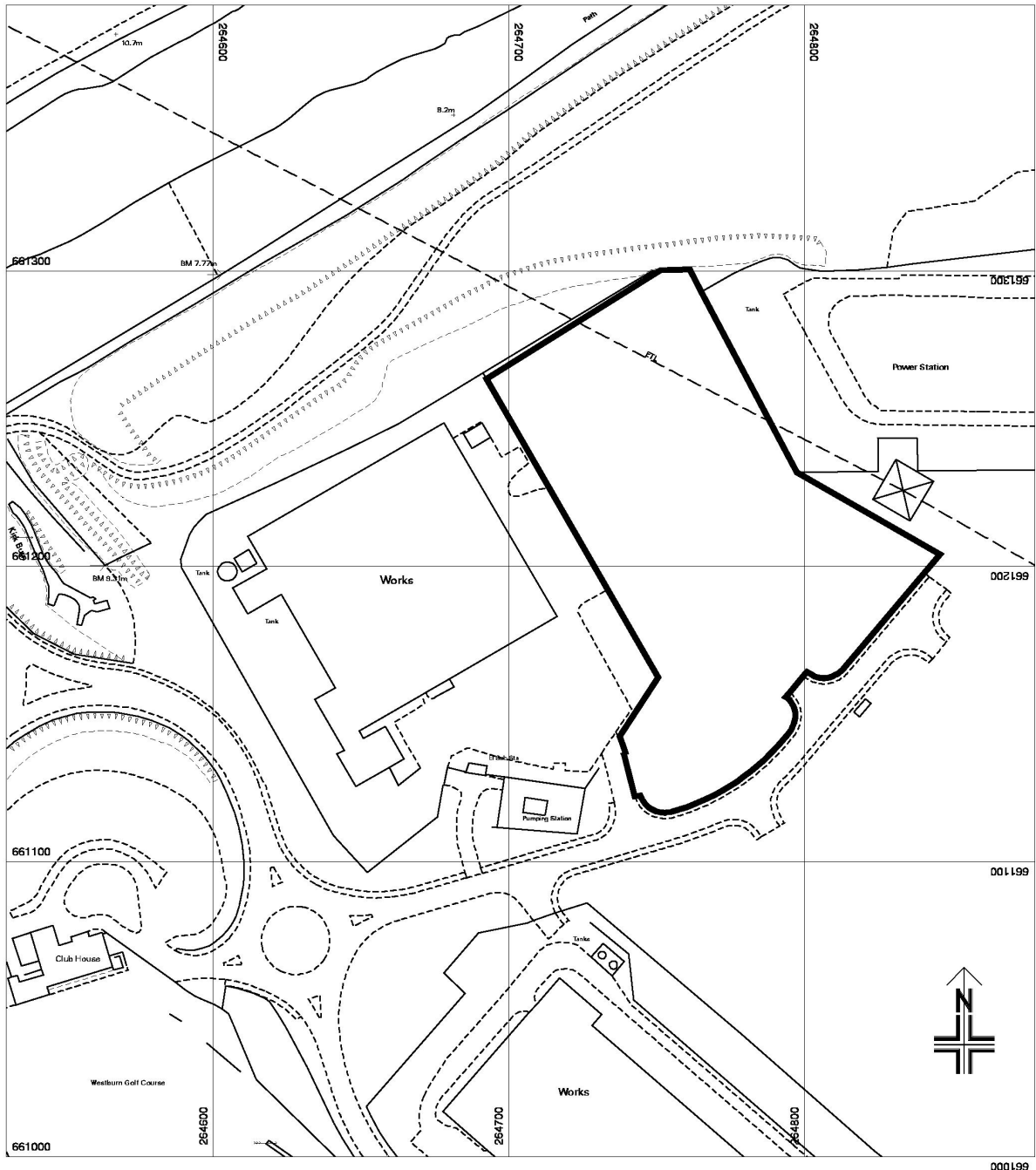
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LOCATION PLAN - For Committee Purposes Only

Land at Clydesmill Investment Park
Western Drive, Cambuslang



ESTATES SERVICES



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