

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	5 June 2019
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Disposal of 1 Langlands Gate, East Kilbride
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval for the disposal of the property at 1 Langlands Gate, East Kilbride, to Phoenix Utilities Limited (or assignees or nominees)

2. Recommendation(s)

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

- (1) that the office pavilion at 1 Langlands Gate, Langlands Business Park, East Kilbride, located on a site extending to 2,080 square metres or thereby, be disposed of to Phoenix Utilities Limited (or assignees or nominees) for the sum of £340,000, exclusive of VAT, and in terms of the principal conditions contained in Section 5 of this report; and
- (2) that the Executive Director (Housing and Technical Resources), in conjunction with the Head of Administration and Legal Services, be authorised to conclude all other matters pertaining to the disposal of the property and to enter into the necessary legal agreements on terms which are in the best interests of the Council.

3. Background

3.1. 1 Langlands Gate, East Kilbride is a Class 4, 2 storey office pavilion located within Langlands Business Park. The property was constructed in 1999 and extends to 929 square metres internally, divided into 3 office suites. The building and car parking sits on a site extending to 2,080 square metres or thereby.

3.2. The property is part of the Council's non-operational lease portfolio, however, despite being consistently marketed, interest in leasing the property has been minimal with the property remaining vacant since 2013. This lack of demand from tenants, combined with the revenue costs associated with retaining a vacant property, which in 2018/2019 were £77,760, has an adverse impact on the non-operational lease portfolio performance. The property was therefore advertised for sale on the open market.

4. Marketing

4.1. The property was marketed for sale in March and April 2019 with marketing particulars being made available on the Council's website and on the Co-star commercial property data base. Site marketing boards were also erected around the property.

- 4.2. At the closing date of 26 April 2019, 1 offer was received and assessed. The offer was for the sum of £340,000 received from Phoenix Utilities Limited, who will utilise the facility for the relocation and expansion of their existing established business.
- 4.3. Phoenix Utilities Limited are a multi utility contractor who have been operating for 13 years and employ 44 full time equivalent workers. They plan to re-locate from existing premises in Darvel to accommodate growth plans.
- 5. Proposal**
- 5.1. It is proposed to dispose of the site and property at 1 Langlands Gate, Langlands Business Park, East Kilbride, extending to 2,080 square metres or thereby, as shown on the plan within Appendix A, to Phoenix Utilities Limited (or assignees or nominees) subject to the following principal conditions:-
1. the purchase price to be £340,000, exclusive of VAT
 2. the premises to be accepted in their current condition
 3. the purchaser to meet the Council's reasonably incurred legal fees
- 6. Employee Implications**
- 6.1. There are no employee implications.
- 7. Financial Implications**
- 7.1. Disposal of this property will generate a receipt of £340,000 in financial year 2019/2020.
- 7.2. Disposal will also remove the revenue costs associated with this property, which were £77,760 in financial year 2018/2019.
- 8. Other Implications**
- 8.1. If the proposal did not proceed, the risk to the Council would be that the property would remain vacant and the Council would remain liable for the ongoing costs, including maintenance, repairs, security and rates.
- 8.2. The sale to Phoenix Utilities Limited supports an incoming business to develop and expand.
- 8.3. There are no issues in terms of sustainability contained within this report.
- 9. Equality Impact Assessment and Consultation Arrangements**
- 9.1. Consultation was carried out with Planning and Economic Development, Roads and Legal Services regarding the disposal. The proposed use is compliant with planning policy.
- 9.2. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.

Daniel Lowe
Executive Director (Housing and Technical Resources)

3 May 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent

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:-

Frank McCafferty, Head of Property Services

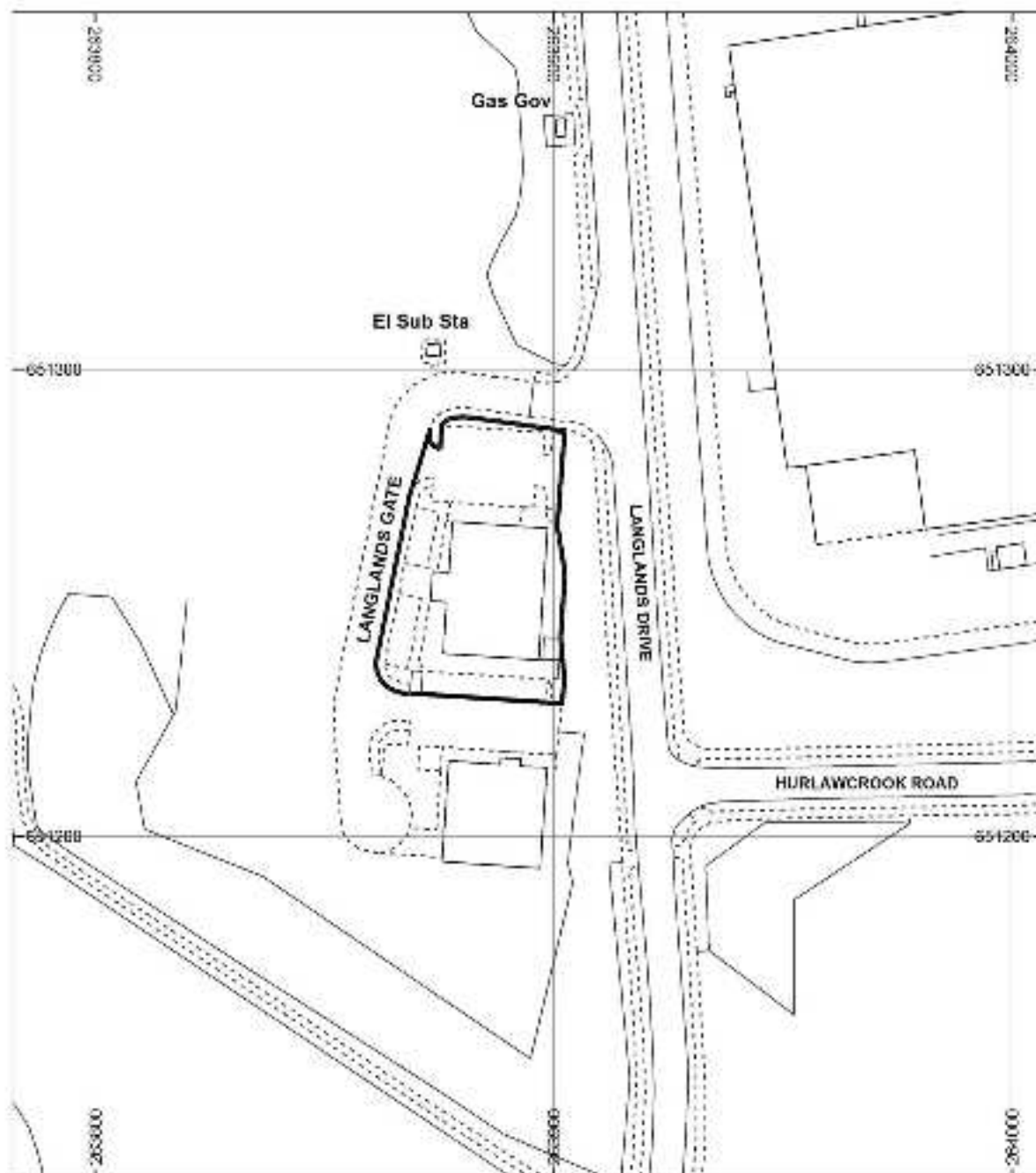
Ext: 4073 (Tel: 01698 454073)

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LOCATION PLAN - For Committee Purposes Only
Unit 1, Langlands Gate,
Kelvin South Business Park, East Kilbride



PROPERTY SERVICES



Contents outlined in Black 2050 square metres or thereby.