

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>5 February 2020</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>Disposal of land at Eaglesham Road, Jackton</b>
----------	--

## **1. Purpose of Report**

1.1. The purpose of the report is to:-

- ◆ request approval for the disposal of the site, currently held under option at Eaglesham Road, Jackton to BMJ Property Limited (or assignees or nominees)

## **2. Recommendation(s)**

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

- (1) that the option site at Eaglesham Road, Jackton, extending to 1.59 hectares (3.93 acres), or thereby, be disposed of to BMJ Property Limited (or assignees or nominees) for the sum of £700,000, exclusive of VAT, and in terms of the principal conditions contained in Section 4 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. The Council own an area of land, extending to 1.59 hectares (3.93 acres), or thereby at Eaglesham Road, Jackton, as shown on the attached plan. The site is the subject of an option agreement with BMJ Property Limited, the owner of the adjoining land, which is part of the East Kilbride Community Growth Area.
- 3.2. The option agreement was concluded on 26 July 2004 for a term of 40 years for the disposal of the land at 100% of market value, subject to the deduction of abnormal costs. An essential condition of the option agreement is that the option can only be exercised following the grant of detailed planning consent.
- 3.3. Detailed planning consent has not yet been applied for and the option holder will not now be the developer of the site but rather intends to dispose of both interests to a developer who will obtain the necessary consents and take forward the development.
- 3.4. The option land provides a preferred, but not essential, access to the larger site and as part of the viability assessment of the development there requires to be agreement on the acquisition of the land in the Council's ownership to establish whether or not it will form part of the overall development or remain undeveloped and under option.

- 3.5. The option holder is now seeking to acquire the Council's land as an adjoining owner rather than exercise the option, and negotiations were entered into regarding the potential sale of the site.

#### **4. Proposal**

- 4.1. It is proposed to dispose of the option site at Eaglesham Road, Jackton, extending to 1.59 hectares (3.93 acres), or thereby, as shown on the attached indicative plan, to BMJ Property Limited (or assignees or nominees)) subject to the following principal conditions:-

1. The purchase price shall be £700,000, exclusive of VAT. There will be no further deductions for infrastructure, ground condition or other associated contributions.
2. The purchaser will be responsible for payment of the Council's legal fees. Subject to a cap of £15,000.
3. The purchase will be solely conditional on the grant of detailed planning consent for the site which will be required to be obtained within 24 months from conclusion of missives (or alternative timescale to be agreed) subject to the parties signing the Section 75 for the northern segment of the Community Growth Area.
4. The price shall be indexed linked on an upwards only basis, from the date of conclusion of missives until settlement, based on the Halifax House price index (or suitably agreed alternative).
5. As part of the missives for this transaction there will be a provision terminating the previous option missives/rights, with the result that the only remaining rights to the property would be under the new (conditional) missives.

#### **5. Employee Implications**

- 5.1. There are no employee implications.

#### **6. Financial Implications**

- 6.1. Disposal of the property will generate a receipt of £700,000 (seven hundred thousand pounds) index linked, for the Council's General Services account in year 2020/2021 or 2021/2022, subject to planning.

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

- 7.1. There are no climate change, sustainability or environmental implications in terms of the information contained within this report.

#### **8. Other Implications**

- 8.1. If the proposal did not proceed, the risk to the Council would be that the site would remain undeveloped and under option for the remaining 25 years of the option agreement.
- 8.2. Notwithstanding the Option, it is considered that the land would have very limited independent development potential as it is zoned green space, has particularly poor ground conditions.

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

- 9.1. All necessary consultations with Planning, Roads and Legal Services have taken place and 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)**

**Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, effective, efficient and transparent
- ◆ Achieve results through leadership, good governance and organisational effectiveness
- ◆ Improve the availability, quality and access of housing

**Previous References**

- ◆ Estates Committee, 23 August 2005

**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)

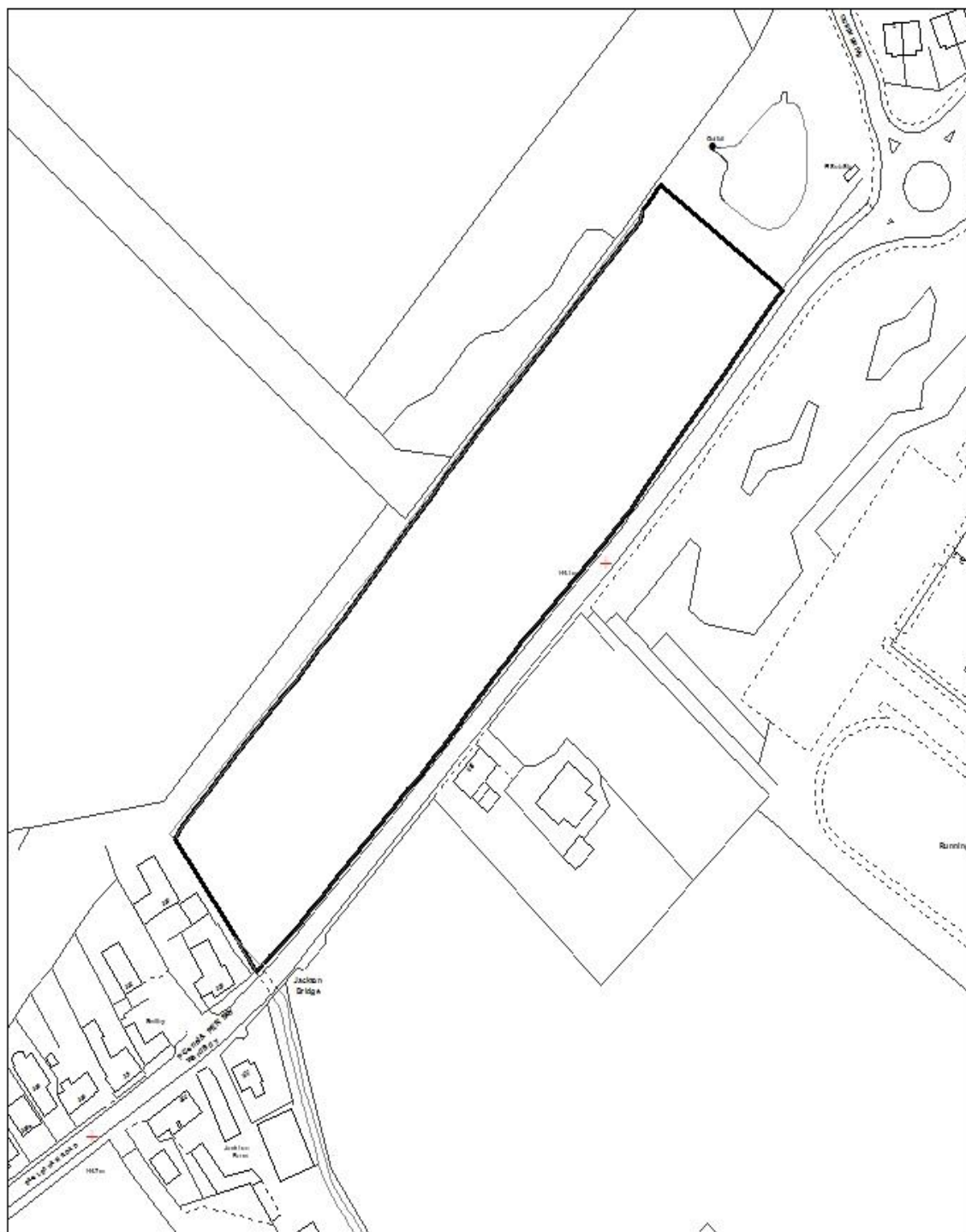
email: [frank.mccafferty@southlanarkshire.gov.uk](mailto:frank.mccafferty@southlanarkshire.gov.uk)

## LOCATION PLAN - For Committee Purposes Only

Eaglesham Road  
Jackton



### HOUSING AND TECHNICAL



Ordnance Survey



© Crown copyright and database rights 2020.  
Ordnance Survey 100020730.

Contents outlined in Black 1.59 hectares or thereby

DATE: 21/01/2020