

Report

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Report to:	Estates Committee
Date of Meeting:	13 December 2005
Report by:	Executive Director (Enterprise Resources)

Subject:	Proposed Sale of Land at Blairbeth Road, Rutherglen
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ report on the abnormal development costs that have been identified by the proposed purchasers of the site at Blairbeth Road, Rutherglen.
- ◆ seek authority for a reduction in the disposal price to reflect the additional ground works required.

2 Recommendation(s)

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

- (1) that the reduction in purchase price from £2,450,000 to £2,300,000 exclusive of VAT be agreed in view of the abnormal costs outlined in paragraph 3.2 for the sale of the site at Blairbeth Road, Rutherglen to Carronvale Homes Limited.
- (2) that the Executive Director (Enterprise Resources) in consultation with the Head of Legal Services (if appropriate) be authorised to conclude all matters and enter into the necessary legal agreements on terms which are in the best interest of the Council to complete the sale of the subjects.

3 Background

- 3.1 The Estates Committee at their meeting on 31 May 2005 approved the proposal to sell the development site at Blairbeth Road, Rutherglen, extending to 0.66 hectares (1.63 acres) or thereby as shown on the accompanying indicative plan to Carronvale Homes Limited for the sum of £2,450,000 subject to the necessary consents being granted for the development of 40 residential units.
- 3.2 Following detailed site investigations, Carronvale Homes have submitted a geotechnical report supporting costs of £158,500 reflecting the abnormal site works required for the development of the site. These works will comprise specialised foundations, provision of gas membrane and venting, capping and additional fill. The Council's geotechnical engineer has examined the report submitted by Carronvale Homes and after extensive discussions has advised that there is adequate justification for the scope of abnormal works proposed and that the estimated costs are both fair and reasonable.

4 Proposal

- 4.1 It is proposed therefore to dispose of the site at Blairbeth Road, Rutherglen extending to 0.66 hectares (1.63 acres) or thereby as shown on the enclosed indicative plan to Carronvale Homes Limited at the revised purchase price of £2.3 million exclusive of VAT. It should be noted that this figure remains substantially above the next acceptable financial offer, which would also be subject to deductions for abnormal costs.

5 Employee Implications

- 5.1 There are no employee implications.

6 Financial Implications

- 6.1 Disposal of the site will generate a net Capital Receipt of £2,300,000 for the Council's Non Housing Programme.

7 Other Implications

- 7.1 There are no other implications.

8 Consultation

- 8.1 All necessary consultation with Roads, Planning and Legal Services have taken place.

Iain Urquhart

Executive Director (Enterprise Resources)

14 November 2005

Link(s) to Council Objectives

- Creating Successful Communities
- Living in the Community
- Managing Resources

Previous References

- Estates Committee – 31 May 2005
Report – Proposed Sale of Land at Blairbeth Road, Rutherglen

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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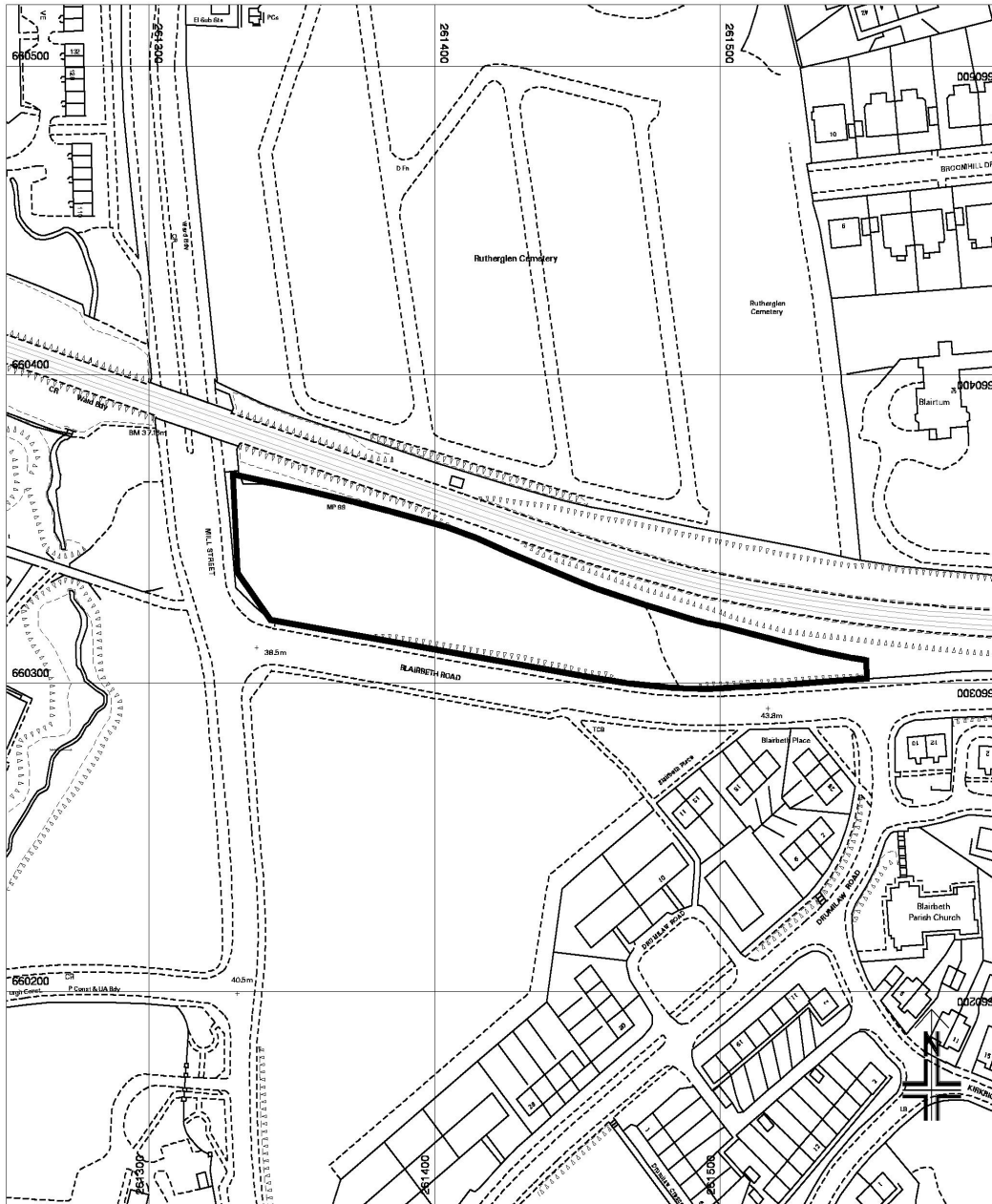
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LOCATION PLAN

Land at Blairbeth Road
Rutherglen



ESTATES SERVICES



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