

Report

12

Report to:	Estates Committee
Date of Meeting:	19 September 2006
Report by:	Executive Director (Enterprise Resources)

Subject:	Bent Road, Hamilton
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ report the successful marketing of land at Bent Road, Hamilton and to recommend acceptance of the offer to purchase the subjects received from Tulloch Homes Group Limited.
- ◆ report the renunciation of two existing ground leases and granting of a new lease to Hamilton Rugby Club.
- ◆ advise on action taken, in terms of Standing Order No. 36(c) because of the timescales involved, by the Executive Director (Enterprise Resources), in consultation with the Chair and an ex officio member, to recommend acceptance of the offer to purchase Bent Road, Hamilton received from Tulloch Homes Group Limited and agreement to the new lease terms with Hamilton Rugby Club.

2 Recommendation(s)

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

- (1) that the following action taken, in terms of Standing Order No 36(c), by the Executive Director (Enterprise Resources), in consultation with the Chair and an ex officio member, be noted:-
- ◆ approval of the sale of the site at Bent Road, Hamilton extending to 0.53 hectares (1.3 acres) or thereby to Tulloch Homes Group Limited be authorised in terms of the principal conditions as contained in Section 5.1 of this report.
 - ◆ approval of the renunciation of the existing ground leases and granting of a new lease to Hamilton Rugby Club in terms of the principal conditions as contained in Section 5.2 of this report.
 - ◆ authorisation of the Executive Director (Enterprise Resources), in consultation with the Head of Legal Services, if appropriate, to conclude the necessary legal agreements of behalf of the Council.

3 Background

3.1 The area of land, identified on the attached plan (1), at Bent Road, Hamilton was part of Enterprise Resources non-operational lease portfolio and is subject to a 99 year lease to Hamilton Rugby Club. Agreement has been reached with the Agents acting on behalf the Rugby Club that this area of ground be released for sale and excluded from a new lease to the Club the terms of which have also been provisionally agreed.

South Lanarkshire Council will receive 58% of the sale price achieved and the Rugby Club will receive the remaining 42%.

4 Marketing

- 4.1 This site was marketed with a planning brief stating that it was suitable for a residential development of a design consistent with its location and character. Adverts were placed in the Local and National Press on the 3 and 10 of April 2006 and marketing particulars were sent to interested parties both from the Council and from Whyte & Barrie, Commercial Surveyors acting as joint Agents for the site.
- 4.2 At the closing date of 2 June 2006, forty offers were received. The highest offer which was compliant with the Planning Brief was £1,822,000 on the basis of a thirty unit development of two bedroom flats, received from Tulloch Homes Group Limited. After further detailed consideration and consultation with Tulloch Homes Group Limited, it has been agreed to amend the proposal to accommodate thirty-three units on the site with an appropriate uplift in the price.

5 Proposal

- 5.1 It is proposed therefore to dispose of the site at Bent Road, Hamilton extending to 0.53 hectares (1.3 acres) or thereby shown on the attached indicative plan to Tulloch Homes Group Limited on the following principal terms, identified on the attached plan:-

- (1) the purchase price shall be £1,942,000 exclusive of VAT subject to the necessary planning and other statutory consents being granted for the development of thirty three residential units and the developers being responsible for the Council's reasonably incurred legal expenses.

- 5.2 It is further proposed that Hamilton Rugby Club renounce their existing ground leases and enter into a new 99 year ground lease for the remainder of the site, identified on the attached plan (2), currently occupied by the Rugby Club on the following principal terms:-

- (1) The term of the lease shall be for 99 years.
- (2) The date of entry to be 28 February 2006.
- (3) The rent payable by Hamilton Rugby Club for the subjects to be a figure equivalent to 3.5% of the average gross bar turnover or £4100 per annum whichever is the greater.
- (4) The rent will be subject to five yearly reviews.
- (5) The rent for the period 28 February 2006 to 28 February 2016 shall be 50% of the rental value.
- (6) The Hamilton Rugby Club shall submit certified and audited annual accounts for the financial year ending 31 December in each year.
- (7) The lease to be on a fully repairing and insuring basis.
- (8) The subjects shall be used for recreational sports and playing fields, a clubhouse, and changing facilities with sufficient car parking.

- (9) Each party shall be responsible for their own fees in respect of this transaction.

6 Employee Implications

- 6.1 There are no employee implications.

7 Financial Implications

- 7.1 Disposal of the site will generate a receipt of £1,944,000 of which the Council will receive 58% (£1,127,520) for the Council's non-housing programme subject to deduction of any abnormal costs following appropriate site investigations. Such deductions will be the subject of a further report to Committee.

8 Other Implications

- 8.1 There are no other implications.

9 Consultation

- 9.1 All necessary consultations with Planning, Roads and Legal Services have taken place. Both Planning and Roads Services have intimated that the submission received from Tulloch Homes Group Limited is compliant with the Development Brief for the site. Legal Services have confirmed that the offer submitted on behalf of Tulloch Homes Group Limited is a valid legal offer and advised that the Council should proceed by the issue of an offer to sell.

Iain Urquhart
Executive Director (Enterprise Resources)

17 August 2006

Link(s) to Council Objectives

- None

Previous References

- None

List of Background Papers

- Location plan

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Gerry McParland, Capital Transactions, Estates and Support Services

Ext: 5177 (Tel: 01698 455177)

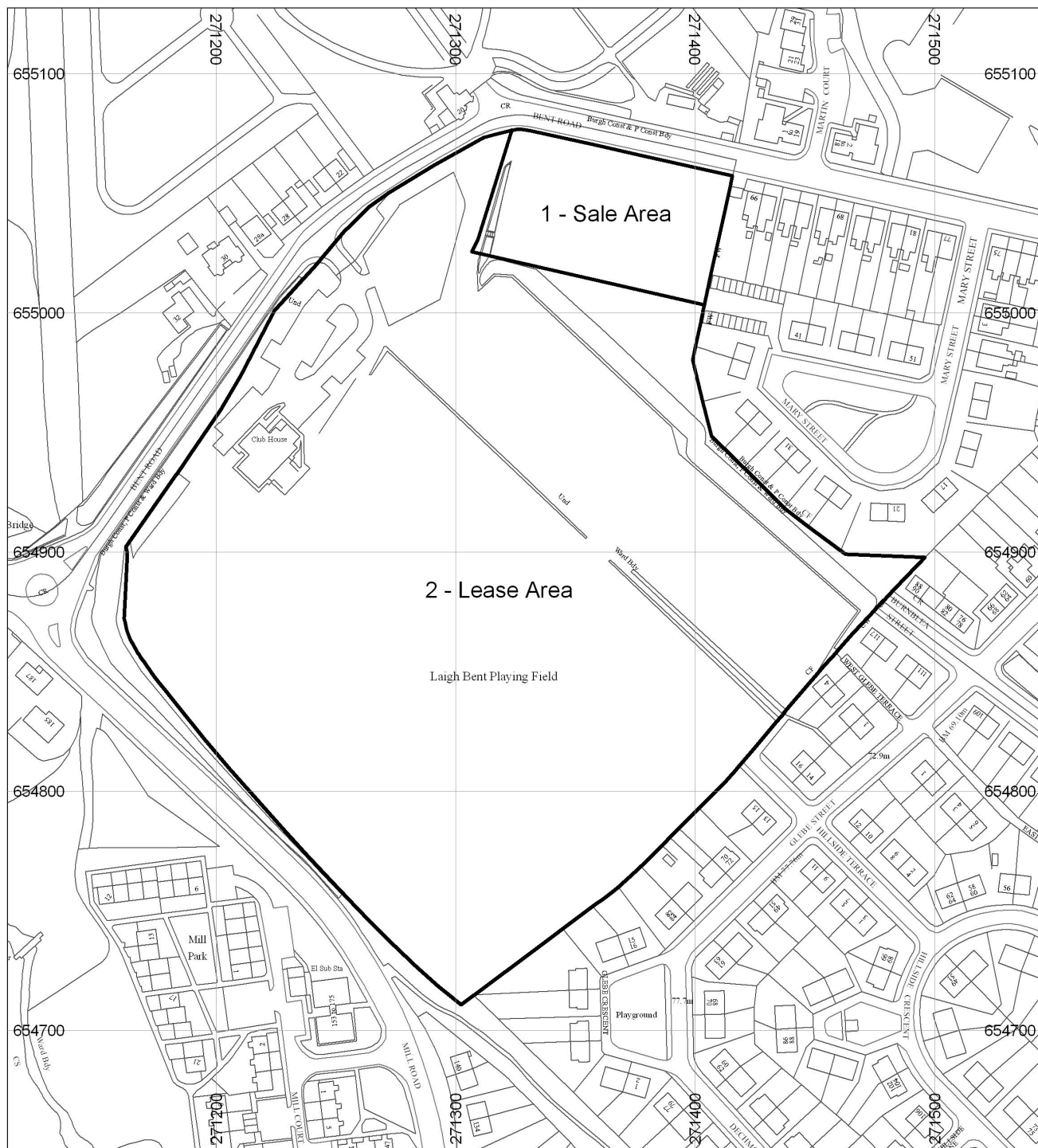
E-mail: gerry.mcparland@southlanarkshire.gov.uk

LOCATION PLAN - For Committee purposes only

Hamilton Rugby Club
Bent Road, Hamilton



ESTATES SERVICES



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