

Report

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Report to:	Estates Committee
Date of Meeting:	31 May 2005
Report by:	Executive Director (Enterprise Resources)

Subject:	Proposed Sale of Ground at Plot 8, Langlands Business Park, Hurlawcrook Road, East Kilbride
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ seek approval to dispose of the industrial development Plot 8, Langlands Business Park, Hurlawcrook Road, East Kilbride to Sainsbury's Supermarkets Limited and their appointed nominees.
- ◆ to note the action taken in terms of Standing Order No 36(c) to authorise the conclusion of this transaction

2 Recommendation(s)

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

- (1) that the sale of the industrial development site at Plot 8, Langlands Business Park, Hurlawcrook Road, East Kilbride, extending to 4.51 hectares or thereby to Sainsbury's Supermarkets Limited, be authorised in terms of the principal conditions as contained in paragraph 4 below subject to satisfactory conclusion of missives within the timescale deemed appropriate by the Council.
- (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 necessary legal agreements in terms which are in the best interest of the Council to complete the sale of the subjects.
- (3) that in view of the requirements to progress this matter as soon as possible in terms of Standing Order No 36(c) the action taken by the Executive Director (Enterprise Resources) in consultation with the Chair and ex-officio member to authorise the sale of the site to Sainsbury's Supermarkets Limited, in order that the transaction can conclude as soon as possible within this financial year to facilitate Sainsbury's urgent expansion requirements be noted.

3 Background

3.1 Langlands Business Park, East Kilbride was developed by East Kilbride District Council in the early 1990's to provide industrial development plots for inward investment and indigenous companies wishing to locate and expand their industrial operations. Of the 8 original plots, 5 are partially, or fully developed, or have ongoing proposals for industrial development. The sites are continually marketed by the Company Development Team of Regeneration Services in conjunction with Estates.

- 3.2 Sainsbury's Supermarkets Limited currently anchor the Business Park with their Scottish and Northern Ireland regional warehouse facility extending to over 23,000 square metres of Plot 1. Their agents have recently contacted the Council with a requirement for an additional warehouse facility extending to 13,000 square metres which will provide warehousing for peak time sales such as Christmas together with a resource recovery unit. This facility is intended to employ a further 80-100 staff.
- 3.3 Provisional negotiations have therefore taken place with a view to the disposing of the existing Plot 8, Hurlawcrook Road, Langlands Business Park, which extends to 4.51 hectares and adjoins their existing facility at Plot 1, Langlands Business Park. It is intended to initially conclude missives with Sainsbury's Supermarkets Limited which will thereafter be assigned to a property development company who in partnership with Sainsbury's will purchase the land, construct the aforementioned warehouse facility and thereafter lease the facility to Sainsbury's Supermarkets Limited. The purchase price has been provisionally agreed at £724,000 exclusive of VAT and Sainsbury's and their development partner will be responsible for the rerouting and construction of the existing Langlands footpath network which will be required to be realigned to accommodate the new warehouse facility.

4 Proposal

- 4.1 It is proposed therefore to dispose of the industrial development Plot 8, Langlands Business Park, Hurlawcrook Road, East Kilbride, extending to 4.51 hectares or thereby as shown on the attached indicative plan to Sainsbury's Supermarkets Limited or their appointed nominee who will be their development partner on the following principle terms:-
- 4.1.1 the purchase price shall be £724,000 exclusive of VAT subject to the deduction of any abnormal costs following a full and comprehensive site investigation to be carried out by the purchasers.
- 4.1.2 that planning consent is granted for a warehouse facility.
- 4.1.3 that the purchasers will be responsible for the realignment of the existing footpath to the west and north of Plot 8.
- 4.1.4 that Sainsbury's Supermarkets Limited have the right to assign the proposed missives to a nominee, a property development company who will purchase the site, construct the warehouse and thereafter lease back to Sainsbury's Supermarkets Limited.
- 4.1.5 that the Council's reasonably incurred legal expenses up to a maximum of £2,000 are met by the purchasers.

5 Employee Implications

- 5.1 There are no employee implications.

6 Financial Implications

- 6.1 Disposal of the site will generate a Capital Receipt of £724,000 subject to the deduction of all abnormal costs following site investigation. Such deductions should be the subject of a further report to Committee.

7 Other Implications

- 7.1 There are no other implications.

8 Consultation

- 8.1 All necessary consultations with Planning, Roads and Regeneration Services have taken place.

Iain Urquhart

Executive Director (Enterprise Resources)

18 May 2005

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:-

Bill Barr, Surveyor

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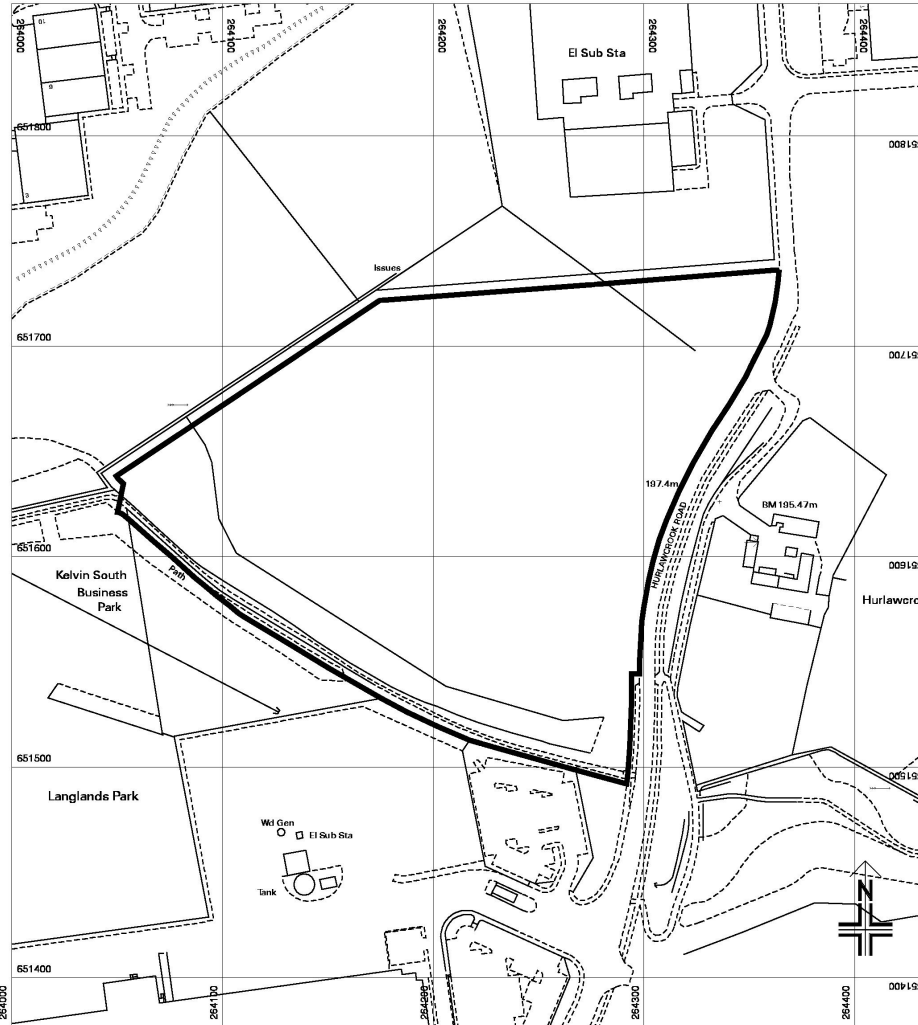
E-mail: bill.barr@southlanarkshire.gov.uk

LOCATION PLAN

Ground at Hurlawcrook Road
East Kilbride



ESTATES SERVICES



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