

# Report

Report to:	<b>Housing and Technical Resources Committee</b>
Date of Meeting:	<b>19 June 2024</b>
Report by:	<b>Executive Director (Housing and Technical Resources)</b>

Subject:	<b>99 Year Ground Lease at Hairmyres Station, East Kilbride to South Lanarkshire Council</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ advise the Committee of the requirement for a 99-year ground lease at Hairmyres Station, East Kilbride from Network Rail and seek approval to the principal terms and conditions as set out in Section 5 of the report

## 2. Recommendation(s)

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

- (1) that subject to confirmation of the funding from Transport Scotland, the land at Hairmyres Station, East Kilbride be leased to South Lanarkshire Council on the headline terms and conditions outlined in Section 5 of the report
- (2) that the Executive Director (Housing and Technical Resources), in consultation with the Head of Administration and Legal Services, be authorised to conclude all matters in respect of the lease and enter into the necessary legal agreements on terms which are in the best interests of the Council

## 3. Background

3.1. The subjects at Hairmyres Station, East Kilbride have been acquired by Network Rail to facilitate the construction of a transport interchange facility as part of the proposals to relocate Hairmyres Station.

3.2. The proposal is part of the East Kilbride Enhancement (EKE) scheme to provide two new junctions for the Park and Ride areas on both sides of the railway lines, North (318 spaces) and South (197 spaces), motorcycle spaces (23), disabled spaces, cycle storage, electric vehicle (EV) charging spaces and potential for a community EV charging facility (27 spaces). Street lighting, CCTV and landscaping will be included.

3.3. As part of the EKE scheme, the existing Hairmyres line is being extended by circa 1.4km increasing the capacity of the line. To facilitate this, a second platform will be installed at the station. A 2019 study recommended a relocation of the station West of the current location to improve the transport interchange capacity and better serve the nearby residential developments.

3.4. The proposal is that the Council will lease the ground required for the Park and Ride facility from Network Rail and construct or procure construction of the Park and Ride facility and then operate the same. The estimated project costs are £4.5 million, and discussions are ongoing with Transport Scotland to secure the funding.

- 3.5. The extent of the proposed lease is 5.3 hectares as shown on the attached plan.
- 3.6. A planning application has been submitted for consideration by the Planning Committee on 24 June 2024.

#### **4. Assessment**

- 4.1. Should Network Rail require to terminate the lease within the first 20 years of the lease on the basis that the area is required for rail related purposes, Network Rail will repay the Council the costs on a tapering scale.
- 4.2. The risks associated with the proposed lease are considered very low, given the status of the organisations involved.

#### **5. Proposal**

- 5.1. The requirement for the lease agreement is dependent upon confirmation from Transport Scotland that funding for the project has been secured. On the basis that this is achieved it is proposed that the Council lease the subjects at Hairmyres Station, East Kilbride on the following principle terms and conditions:-
  - i. The lease will be from Network Rail.
  - ii. The lease will be for a period of 99 years.
  - iii. The date of entry to be agreed.
  - iv. The rental shall be £1 per annum, if asked.
  - v. The lease to be fully repairing and insuring.
  - vi. The Council will be obliged to construct or procure construction of the Park and Ride facility within a period to be agreed with Network Rail, failing which the subjects will revert to Network Rail.
  - vii. The Council will be required to obtain and maintain for duration of the lease, public liability insurance to the value of £5 million for any one claim.
  - viii. The Council will insure the subjects.
  - ix. The property will be used as a Park and Ride facility and include EV charging spaces and potential for a community EV charging facility.
  - x. The Council to be responsible for any rates or property charges resulting from their occupation and use of the subjects.
  - xi. Each party to be responsible for their own legal costs, however, the Council will require to pay any registration fees and Land and Buildings Transaction Tax (LBTT) if required.
- 5.2. Discussions are ongoing between the Council and Network Rail in relation to the following specific provisions for the lease: -
  - i) Network Rail are seeking the right to terminate the lease at anytime on giving 12 months' notice, if the land is needed for any rail related purposes supported by the Scottish Government.
  - ii) The Council is seeking clawback provisions, to ensure that if Network Rail terminate the lease within a period to be agreed, they would require to repay to the Council the funding invested by the Council in the Park and Ride facility on a tapering scale.

## **6. Employee Implications**

- 6.1. There are no employee implications associated with this report.

## **7. Financial Implications**

- 7.1. The lease will result in the Council managing the operation of a new Park and Ride facility.

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

- 8.1. The proposal is to encourage sustainable public transport and to extend the wider active travel network. There are no negative issues in relation to climate change, sustainability and the environment contained within this report.

## **9. Other Implications**

- 9.1. Tender documents for the construction contract were issued in May and have recently been returned by contractors and these are currently being reviewed.
- 9.2. Given the requirement for City Deal approvals, a report will be presented to the Council's Executive Committee and then to the City Deal Cabinet in August 2024 and these will include appropriate information to allow a contract to be awarded.
- 9.3. Subject to a contract being awarded in August 2024, it is anticipated that the associated Park and Ride works will commence in mid-September 2024 with the completion scheduled for summer of 2025.

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

- 10.1. Consultation has taken place with public information events included as part of the proposal of Planning Application. Public events were held at Duncannig High School and East Kilbride Shopping Centre. Copies of plans were made available on South Lanarkshire Council's website with a link to a questionnaire.
- 10.2. 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.

**Stephen Gibson**  
**Executive Director (Housing and Technical Resources)**

2 May 2024

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient, and transparent
- ◆ Caring, connected, sustainable communities

### **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: -

Joanne Forbes, Head of Property Services

Ext: 4073 (Tel: 01698 454073)

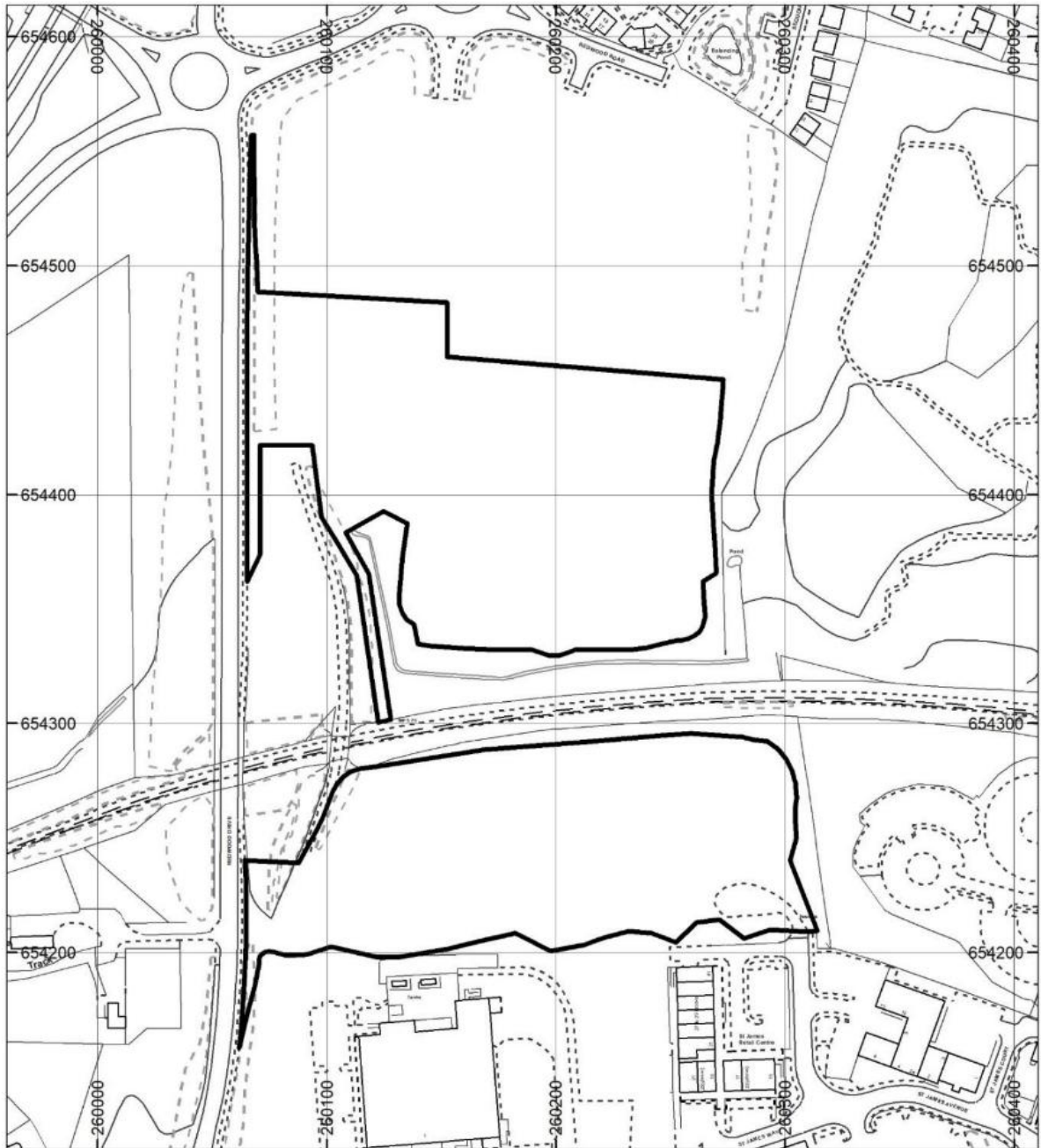
email: [joanne.forbes@southlanarkshire.gov.uk](mailto:joanne.forbes@southlanarkshire.gov.uk)

# LOCATION PLAN - For Committee Purposes Only

Proposed Lease at Hairmyres New Station  
Redwood Drive, East Kilbride



## HOUSING AND TECHNICAL



Contents outlined in Black 42,672 square metres or thereby.