

Item 3

27th February 2020



Glasgow City Council

Contracts & Property Committee

Report by Executive Director of Regeneration and the Economy

Contact: Ian Robertson Ext: 76000

PROPOSED OFF MARKET DISPOSAL OF LAND AT GREAT DOVEHILL/BELL STREET GLASGOW G1 5DN TO THE GLASGOW HOUSING ASSOCIATION LIMITED

Purpose of Report:

To seek authority for the off market disposal of land at Great Dovehill/Bell Street, Glasgow G1 5DN to Glasgow Housing Association Limited subject to agreed terms and conditions.

Recommendations:

That Committee

1. notes the content of this report;
2. approves the termination of the licence agreement with City Parking (Glasgow) LLP;
3. approves the main terms and conditions outlined within this report; and
4. authorises the Executive Director of Regeneration and the Economy, in consultation with the Director of Governance and Solicitor to the Council to progress the sale to Glasgow Housing Association Limited.

Ward No(s): 9 – Calton

Citywide:

Local member(s) advised: Yes No consulted: Yes No

PLEASE NOTE THE FOLLOWING:

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale



Report to: Contract & Property Committee

From: Managing Director of City Property (Glasgow) LLP

Date: 27 February 2020

Subject: PROPOSED OFF MARKET DISPOSAL OF LAND AT GREAT DOVEHILL/BELL STREET, GLASGOW G1 5DN TO THE GLASGOW HOUSING ASSOCIATION LIMITED

1 Description

- 1.1 The subject comprises a cleared site which is currently used as a surface pay and display car park by City Parking (Glasgow) LLP in relation to the nearby shops and businesses on Gallowgate. It is bounded by Great Dovehill, Bell Street and Little Dovehill, lying behind tenement buildings fronting Gallowgate.
- 1.2 The site area extends to approximately 0.18 hectares (0.44 acres) or thereby and is shown edged in black and hatched on the attached Committee Plan.

2 Planning

- 2.1 Glasgow City Development Plan was adopted on 29 March 2017. The new local development plan replaces Glasgow City Plan 2 (2009) and sets out the Council's land use strategy providing the basis for assessing planning applications - see <https://www.glasgow.gov.uk/index.aspx?articleid=16186>. The City Development Plan does not identify land use zones to direct particular types of development. Instead, overarching policies CPD1 Placemaking and CDP 2 Sustainable Spatial Strategy encourage development to be informed by a placed base approach, which means new development should be responsive to its context.
- 2.2 A planning application (Reference number 18/02546/FUL) for redevelopment of the site was lodged by John Gilbert Architects on behalf of the Wheatley Group on 27th August 2018 and was validated on 31 August 2018. A decision notice on the planning application was issued on 4 February 2020 and the application was granted subject to various conditions and Section 69 Agreement (see link [Planning Application](#)).

3 Background

- 3.1 The subject was formally declared surplus to the Council's operational requirements in September 2018 following the procedural non-operational process with no notes of interest being received and, accordingly, is clear for disposal.
- 3.2 The request to agree Heads of Terms for the disposal of subject site to The Glasgow Housing Association (GHA), part of the Wheatley Group, was initiated by Development and Regeneration Services - Housing and Regeneration Services on 29 October 2018.
- 3.3 The City Administration Committee, at its meeting on 13 June 2019 (see - [Nominated disposal.docx](#)), approved the nominated disposal of 23 sites to Registered Social Landlords, with City Property negotiating the disposal of the sites. The subject site was included as one of the 23 sites to Registered Social Landlords and nominated specifically for disposal to GHA.
- 3.4 Abnormal ground condition costs in the sum of £85,000 as negotiated and approved following consultation with Glasgow City Council Geo-Technical have been agreed. These costs are fully reflected in the negotiated purchase price for the site.
- 3.5 GHA are looking to bring forward a residential scheme to create 32 flatted units for mid-market rent.
- 3.6 The subject property is not currently included in the Council's Log of Opted to Tax Property.
- 3.7 It is considered that the subjects do not form part of the Council's Common Good.
- 3.8 The subjects were acquired by the Council's predecessors using statutory powers. The subjects are not on the list of common good assets. There are no conditions in the title that would suggest that the subjects were being acquired to be held as part of the common good. There are no other relevant factors to suggest that the subjects would form part of the common good of the Council.

4 Current Position

- 4.1 The subject site is currently used as a surface pay and display car park by City Parking (Glasgow) LLP on the basis of a licence agreement which requires that Glasgow City Council (GCC) give not less than 28 days prior written notice of termination. Accordingly, in order to grant vacant possession GCC will require to serve Notice terminating the licence agreement with City Parking (Glasgow) LLP.
- 4.2 Negotiations have concluded and we are now in a position to report on the Heads of Terms agreed with GHA.

5 Purchaser

5.1 The Glasgow Housing Association Limited (A Registered Social Landlord).

6 Terms and Conditions

6.1 The subjects comprise the site shown edged and hatched black on the attached plan, extending to 0.18 hectares (0.44 acres) or thereby.

6.2 The purchase price shall be THREE HUNDRED AND SIXTY THREE THOUSAND POUNDS STERLING (£363,000), exclusive of Value Added Tax, if applicable payable upon the Date of Entry.

6.3 The Date of Entry is to be no later than the 31 March 2020 or such other date as shall be mutually agreed between the parties failing which either party can resile without penalty.

6.4 The subjects, edged and hatched black on the attached plan, shall be used solely for accommodating a residential development of 32 units and for no other use whatsoever without the prior written consent from the Seller which shall be granted at their absolute discretion.

6.5 The Purchaser shall be responsible for the Seller's reasonable legal expenses in connection with this transaction, together with City Property's fee of £1,500, plus Value Added Tax.

6.6 The Purchaser will not be entitled to assign in whole or in part its rights under the contract of sale without the Seller's consent which shall be granted at its absolute discretion.

6.7 All third party determination in the contract of sale shall be by an independent expert and not by way of arbitration

6.8 In the event that the Purchaser instructs ground investigation works, site surveys, habitat surveys, EIA surveys or any other such survey or report, prior to the date of entry then the costs of such works/surveys shall be borne by the Purchaser. For the avoidance of doubt the seller shall not reimburse the purchaser for any such costs whatsoever whether the sale completes or not.

6.9 In the event that planning consent is obtained for a development of more than 32 units on the subjects, then the Purchaser will pay to the Seller a sum of £14,000 for each and every additional unit constructed thereon no later than six months from the date of the revised planning.

6.10 In the event that the Purchaser disposes the subjects prior to the commencement of proposed development to the subjects then the Purchaser shall pay to the Seller 100% of all sales proceeds in excess of THREE HUNDRED AND SIXTY THREE THOUSAND POUNDS STERLING (£363,000), exclusive of Value Added Tax, if applicable, subject to all reasonable marketing costs incurred by the Purchaser during the sale process.

- 6.11 It is agreed that the Purchaser shall pay to the Seller 100% of any uplift in the market value of the subjects less any costs incurred in the event that planning consent for a more valuable land use is gained.
- 6.12 The Executive Director of Regeneration and the Economy, in consultation with the Director of Governance and Solicitor to the Council shall be authorised to conclude all other matters pertaining to the disposal of the subjects and to enter into the necessary legal agreements on terms which are in the best interest of the Council.

7 Policy and Resource Implications

Resource Implications:

Financial: The transaction will generate a capital receipt of £363,000 for Glasgow City Council.

Legal: All transactions will be subject to review and conclusion by Glasgow City Council's Corporate and Property Law section.

Personnel: There are no direct personnel implications.

Procurement: There are no relevant procurement issues.

Council Strategic Plan: This report will satisfy and contribute to the following theme:

Resilient and empowered neighbourhoods

and will produce the following outcome:

“Glasgow’s housing meets the needs of its growing and diverse population”

In particular, the following priorities can be satisfied:

74. Develop a more integrated approach to how we use our policies, assets and resources to improve community empowerment, neighbourhoods and delivering equality.

75. Review and provide options for how we can develop a livable communities’ policy, linking up our approach to Thriving Places, the use of the Place Standard and the City Development Plan.

80. Support registered social landlords and the private sector to provide 15,000 new homes across the city, maximising delivery of homes for social rent, promoting use of the city's vacant and derelict land, bringing empty homes back into use, encouraging city centre living and creating opportunities for self-build. Bringing the city's vacant and derelict land back in to productive use is a key opportunity for inclusive growth that the council wants to encourage.

Equality and Socio-Economic Impacts:

An Equality Impact Assessment (EQIA) is not required for this project.

Does the proposal support the Council's Equality Outcomes 2017-22

No specific equality related outcomes.

What are the potential equality impacts as a result of this report?

N/A

Please highlight if the policy/proposal will help address socio economic disadvantage.

N/A

Sustainability Impacts:

Environmental:

N/A

Social, including opportunities under Article 20 of the European Public Procurement Directive:

The disposal of this area of ground will enhance social amenity within the local area.

Economic:

N/A

Common Good:

It is considered that the subjects do not form part of the Council's Common Good.

The subjects were acquired by the Council's predecessors using statutory powers. The subjects are not on the list of common good assets. There are no conditions in the title that would suggest that the subjects were being acquired to be held as part of the common good. There are no other relevant factors to suggest that the subjects would form part of the common good of the Council.

**Privacy and Data
Protection impacts:** N/A

8 Recommendations

That Committee

1. notes the content of this report;
2. approves the termination of the licence agreement with City Parking (Glasgow) LLP;
3. approves the main terms and conditions outlined within this report; and
4. authorises the Executive Director of Regeneration and the Economy, in consultation with the Director of Governance and Solicitor to the Council to progress the sale to Glasgow Housing Association Limited.