

WEST DUNBARTONSHIRE COUNCIL

Report by Chief Officer: Supply, Distribution and Property

Infrastructure Regeneration and Economic Development Committee:

17 August 2022

Subject : Sale of Site at Levenbank, Jamestown G83 8BZ

1. Purpose

- 1.1** The purpose of this report is to seek the approval of the Committee that the Council enter into a contract for the disposal of this site to Turnberry Homes Limited.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approve the disposal of the site to Turnberry Homes Limited (SC129174) or nominated subsidiary company for a gross value of £5,055,050 (Five Million and Fifty Five Thousand and Fifty Pounds) subject to abnormals.
- (ii) Authorise the Chief Officer, Supply, Property and Distribution to conclude negotiations.
- (iii) Authorise the Chief Officer, Regulatory and Regeneration to conclude the transaction on such conditions as considered appropriate.

3. Background

- 3.1** The site is wholly owned by West Dunbartonshire Council and is currently disused and overgrown with vegetation.
- 3.2** The site is allocated as being potentially suitable for Residential Development within the Local Development Plan. From initial discussions with Planning Services they have indicated that in principle they would welcome development of the site for residential use.
- 3.3.** Initial advice from the Roads Department is that the most suitable access to the site will be via Levenbank Road and that the junction of Levenbank Road and the A813 will require to be altered and upgraded to allow access into the site.

4. Main Issues

- 4.1** The site is not required by the Council for any operational purposes.
- 4.2** The site was extensively marketed for sale during February and March 2022. Details of Particulars were prepared (Appendix 1) and were sent to all Scottish based residential developers and house-builders.
- 4.3** The availability of the site was listed on the Councils website and social media. Details were also circulated to commercial property agents, local solicitors, business development bodies and the property was listed on the main Commercial property marketing websites.
- 4.4** A closing date was set for receipt of informal offers on Friday 29th April 2022. Two offers were received of £3,950,000 (Keepmoat Homes Ltd) and £5,055,050 (Turnberry Homes Ltd).
- 4.5** We requested that bidders also provided within their proposal a Guaranteed Minimum Price (GMP). These were Keepmoat: £1,500,000 and Turnberry Homes Ltd: £2,500,000.
- 4.6** Both offers were conditional on similar matters including:
- detailed planning consent;
 - site investigations;
 - road construction consent; and
 - satisfactory drainage and mains services.
- Both offers envisaged a timescale of 18 months from conclusion of a conditional missive until settlement which will deliver a capital receipt in financial year 23/24.
- 4.7** The offer recommended for approval has included a Design Statement which envisages the development of 88 residential units comprising a mix of 2 bedroom apartments; 3 bedroom semi- detached and 4 bedroom detached houses. A copy of their Layout is attached as Appendix 2.
- 4.8** The purchase is conditional upon the Purchaser obtaining planning consent for their development proposals and suitable site investigation reports.
- 4.9** The offer is subject to deduction for agreed abnormal costs associated with the development. The definition of what constitutes an abnormal cost will need to be agreed as part of the legal negotiations. It should be understood that the figure of £5,055,050 is a gross figure from which agreed deductions will be made to arrive at the agreed purchase price. There is a guaranteed Minimum price of £2,500,000.

5. People Implications

- 5.1** There are no significant people implications other than the resources required by the various Council services to deal with the planning application,

environmental assessments and legal documentation to conclude this transaction.

6. Financial and Procurement Implications

- 6.1** The Council will benefit from a significant capital receipt. The Council will benefit from a capital receipt subject to deductions for abnormalities.
- 6.2** The Council will no longer have to incur resources in managing and maintaining the site and dealing with the large number of fly tipping incidents.
- 6.3** The Council can anticipate should all 88 units be granted planning permission an additional revenue in the region of £120,685 for council tax, water and sewage. This is based on an assumption that the site generates a net gross increase in Council tax receipts equivalent to the number of new units being built.
- 6.4** There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1** The disposal is subject to legal and technical due diligence and planning.
- 7.2** The proposed timescale is that the Site investigations will be concluded within 20 weeks from missives being concluded. We would also wish to impose a requirement that a detailed planning application is submitted within an agreed timescale from Heads of Terms being agreed.
- 7.3** The offer which is being recommended is 28% above the other offer received in gross terms and 67% above in terms of the Guaranteed Minimum Price.
- 7.4** As with any transaction of this nature there is a risk of the sale not proceeding due to issues which arise during the due diligence process and the site may require to be remarketed.

8. Environmental Sustainability

- 8.1** A desk top site investigation was carried out and a copy of this Report was provided to the interested parties. The report recommends that a preliminary intrusive investigation be undertaken prior to any development of the site,

9. Equalities Impact Assessment (EIA)

- 9.1** An Equality Impact Assessment is not applicable for the purpose of this report.

10. Consultation

- 10.1** Consultations have been undertaken with Finance and Regulatory Services, however wider consultation will take place during any Planning Application process.

11. Strategic Assessment

- 11.1** By agreeing to this proposal the Council will benefit in terms of receiving a sizeable capital receipt and longer term will benefit from increased Council tax revenue.
- 11.2** A significant area of land which has been identified as being suitable for residential use will be developed, increasing the supply of housing stock within West Dunbartonshire thus contributing to the Council's strategic priority for a strong local economy and improved job opportunities.

Angela Wilson
Chief Officer: Supply, Distribution and Property
Date: 25 May 2022

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Appendices:	Appendix 1 – Marketing Details. Appendix 2 – Site Layout.
Background Papers:	None
Wards Affected:	Ward 2