

**WEST DUNBARTONSHIRE COUNCIL****Report by Chief Officer: Supply, Distribution and Property****Infrastructure Regeneration and Economic Development Committee:****17 August 2022**

---

**Subject: Sublease of 3 Birch Road and 1 Overburn Avenue, Broadmeadow Industrial Estate, Dumbarton**

**1. Purpose**

- 1.1** The purpose of this report is to seek the approval of the Committee that the Council grant consent to approve for the sublease of 3 Birch Road and 1 Overburn Avenue, Broadmeadow Industrial Estate, Dumbarton.

**2. Recommendations**

- 2.1** It is recommended that the Committee:

- (i) Approve the sublease of the 1 Overburn Avenue from Aggreko to Complete Paving Requirements (Scotland) Limited (SC236251) with a rental of £45,000pa for remainder of lease, which is for a further 76 years.
- (ii) Approve the sublease of the 3 Birch Road from Aggreko to HBR Dumbarton Limited (SC405581) with a rental of £21,750pa for remainder of lease, which is for a further 77 years.
- (iii) Authorise the Chief Officer, Supply, Property and Distribution to conclude negotiations.
- (iv) Authorise the Chief Officer, Regulatory and Regeneration to conclude the transaction on such conditions as considered appropriate.

**3. Background**

- 3.1** The sites are wholly owned by West Dunbartonshire Council and are classed as Common Good ground, these site must stay within West Dunbartonshire Council ownership.
- 3.2** Dumbarton District Council entered into the lease with Aggreko for 3 Birch Road on November 1<sup>st</sup> August 1990 for a period of 109 years.

- 3.3** West Dunbartonshire Council entered into the lease with Aggreko for 1 Overburn Avenue on 28<sup>th</sup> November 1998 for a period of 100 years.
- 3.4** The sites are currently occupied by Aggreko on long leases, however due to Aggreko having their new unit located at Lomond gate the sites at Birch Road and Overburn Avenue are now surplus to their requirements.
- 3.5** Two local companies have approached Aggreko looking to expand their business within the Dumbarton area and are keen to sublease the sites from Aggreko, to enable business expansion.

#### **4. Main Issues**

##### **3 Birch Road**

- 4.1** The site is let to Aggreko for a term of 100 years with 77 years remaining.
- 4.2** Aggreko have been approached by HBR Dumbarton Limited to sublease the site at 3 Birch Road.
- 4.3** HBR Dumbarton Limited are a local company who specialises in mechanical, accident repair and recovery. Along with specialising in body work, powder-coating and alloy restoration. They are a local business who have been operating within Dumbarton for 11 years, growing a successful business.

##### **1 Overburn Avenue**

- 4.4** The site is let to Aggreko for a term of 100 years with 76 years remaining.
- 4.5** Aggreko have been approached by CPR (Scotland) Limited to sublease the site at 1 Overburn Avenue.
- 4.6** CPR (Scotland) Ltd are a Resurfacing and Civil Engineering Contractor who have been trading within West Dumbarton for a period of 21 years, with their business successfully growing over the years. CPR are now looking to expand their business further.
- 4.7** Should either company cease trading then Aggreko would be liable for the remainder of the term of the lease thus the Council would not be at any detriment.
- 4.8** Both leases have been subject to recent rent reviews and this is reflective in the current rental figure and upward only rent reviews will take place every 5 years.

## **5. People Implications**

- 5.1** There are no significant people implications other than the legal department documentation to conclude the subleases.

## **6. Financial and Procurement Implications**

- 6.1** The Council will benefit from a continued rental for a period of 76/77 years with 5 yearly upward only rent reviews.
- 6.2** The rental values reflect current market rents, which have been agreed as of this year.
- 6.3** There are no procurement implications arising from this report.

## **7. Risk Analysis**

- 7.1** As with any transaction of this nature there is a risk of the sublease not proceeding due to issues which arise during the due diligence process and the site will fall back to the responsibility of Aggreko for the remainder of the leases.

## **8. Environmental Sustainability**

- 8.1** We are keeping industrial businesses located within an area which is classed for industrial use.

## **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 of other departments are not applicable for the purpose of this report.

## **11. Strategic Assessment**

- 11.1** By agreeing to this proposal the Council will benefit in terms of receiving an ongoing rental for a further period of 76/77 years with upwards only rent reviews.

- 11.2** The sub leases would enable two local companies to expand their business' providing more jobs within the local community 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: 2 August 2022

---

**Person to Contact:** Michelle Lynn, Asset Coordinator.  
Email: [michelle.lynn@west-dunbarton.gov.uk](mailto:michelle.lynn@west-dunbarton.gov.uk)

Cassie McAteer, Estates Surveyor.  
Email: [cassie.mcateer@west-dunbarton.gov.uk](mailto:cassie.mcateer@west-dunbarton.gov.uk)

**Appendices:** None

**Background Papers:** None

**Wards Affected:** Ward 3