

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by Chief Officer: Supply, Distribution and Property**

#### **Infrastructure Regeneration and Economic Development Committee:**

**17 August 2022**

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**Subject: Sale of Site at Burroughs Way, Vale of Leven Industrial Estate, Dumbarton**

#### **1. Purpose**

- 1.1** The purpose of this report is to seek Committee approval for the Council to enter into a contract for the disposal of the site to Muirfield Ltd.

#### **2. Recommendations**

- 2.1** It is recommended that the Committee:

- (i) Approve the sale of the site to Muirfield Ltd SC NO 330244 with registered office at 69 Bothwell Road, Hamilton, ML3 0DW Vat registration number 982624983, for a figure of £950,000 plus vat.
- (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 approval for disposal of the site was granted by Committee on 16 February 2022 and approval was given for the sale of the site to CW Properties - Bruce Weir Holdings Ltd for a gross figure of £1,050,000.
- 3.2** The prospective purchaser, CW Properties - Bruce Weir Holdings Ltd, agreed to a period of 8 weeks from agreeing Heads of Terms to conclude missives for the purchase of the site. This period ended on Friday 6 May 2022 by which time no concluded missives were in place. We afforded the prospective purchasers and their agent additional time to conclude a contract.
- 3.3** To formalise matters we wrote to the prospective purchasers' solicitors imposing a final deadline of 22 July 2022 to conclude missives but this did not materialise.
- 3.4.** Muirfield Ltd were the under bidders at the previous closing date for the site in January 2022 when they bid a figure of £807,000. Following the non

compliance to concludes missives by CW Properties - Bruce Weir Holdings Ltd we engaged in dialogue with Muirfield Ltd and they have agreed to increase their original offer to £950,000.

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

- 4.1** The property is not required by the Council for any operational purposes.
- 4.2** Muirfield Ltd intend to develop the site for warehousing and associated office and laboratories for food and drink production and development for occupation by their associated Company Tolsta Foods Ltd.
- 4.3** Muirfield Ltd intend to develop the site in two phases to provide in total approximately 115,000 sq ft of accommodation. They anticipate that this will involve building on approximately 60% of the site and they have stated that they will try to avoid building close to the neighbouring residential properties and will engage with the planning service on this.
- 4.4** It is intended that the proposed buildings will incorporate solar panels at roof level and that a dedicated and enclosed waste management area will be included within the facility.
- 4.5** The site will be fenced and landscaped with as many mature trees retained as possible and further trees planted. The site will have 24 hour security. The intention overall is to create a high quality HQ facility.
- 4.6** Muirfield Ltd are projecting a staffing level of 38 people across a range of functions including: warehousing, food and kitchen, cooperage, gardening, security and administration.
- 4.7** The purchase will be conditional upon the Purchaser obtaining planning consent for their development proposals and a suitable site investigation report.
- 4.8** The proposed development will develop an area of land, which is currently unused and will allow a new employer to become established within West Dunbartonshire.
- 4.9** The proposed timescale is that missives will be concluded 8 weeks from Committee approval.

#### **5. People Implications**

- 5.1** There are no people implications with this report.

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

- 6.1** By agreeing to this proposal the Council will benefit in terms of receiving a sizeable capital receipt and longer term will benefit from the business rates generated from the development.
- 6.2** The Council will no longer have to incur resources in managing the site and dealing with fly tipping etc.
- 6.3** The Council can anticipate additional revenue from non-domestic rates but this cannot be calculated at this time.
- 6.4** There are no procurement implications arising from this report.

## **7. Risk Analysis**

- 7.1** The disposal is subject to legal, technical due diligence and planning. In the event that there are issues resulting from any of these matters the disposal may not proceed and the site may require to be remarketed
- 7.3** The price proposed is the gross purchase price and there is a risk, that there may be deductions from this price if issues arise during the technical due diligence and planning process.
- 7.4** The offer, which is being recommended, is 9.5% below the previously recommended offer. Given the increase in materials and construction costs and the general uncertainty in the economy in relation to inflation and interest rates, we are satisfied that it is unlikely a higher offer would be obtained by remarketing the site.
- 7.5** Muirfield Ltd have done a considerable amount of background due diligence on their proposed development of the site and their plans appear to be sensible and realistic.
- 7.6** As with any deal of this nature, there is of course a risk of the deal not proceeding due to issues which arise during the due diligence process.

## **8. Environmental Sustainability**

- 8.1** A site investigation was carried out in 2019 and a copy of this has been passed to the preferred bidder. The report identified that some ground improvement may be required over parts of the site if large loadings are anticipated.

## **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 and 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 the business rates generated from the development.
- 11.2** A significant area of land which has been identified as being suitable for Strategic Economic Investment will be developed and a modern HQ facility will be created will attract and retain employment within West Dunbartonshire.

Angela Wilson  
Chief Officer: Supply, Distribution and Property  
Date: 29 July 2022

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### **Person to Contact:**

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### **Appendices:**

None

### **Background Papers:**

Report to IRED Committee of 112 February 2022: Sale of Site at Burroughs Way, Vale of Leven Industrial Estate.

### **Wards Affected:**

Ward 2