

WEST DUNBARTONSHIRE COUNCIL**Report by Strategic Lead, Regeneration****Infrastructure Regeneration and Economic Development Committee:
20 November 2019**

**Subject: Sale of Blocks 4&5 Strone Road, Lomond Industrial Estate,
Alexandria G83 0TL**

1. Purpose

- 1.1** The purpose of this report is to recommend to the Committee the sale of this property to Carrs Loch Lomond .The report details the background to the proposed sale and seeks Committee approval to conclude the disposal of the property.

2. Recommendations

- 2.1** It is recommended that the Committee:

- (i) Approve the disposal of the property Blocks 4&5 Stone Road, Lomond Industrial Estate, Alexandria for a consideration of a gross purchase price of £260,000 (Two Hundred and Sixty Thousand Pounds) to Carrs Loch Lomond Properties Limited.
- (ii) Authorise the Strategic Lead, Regeneration to conclude negotiations.
- (iii) Authorise the Strategic Lead, Regulatory to conclude the transaction on such conditions as considered appropriate.

3. Background

- 3.1** The property was previously leased by the Council to Greenlight Recycling a subsidiary of Greenlight Environmental Ltd which was placed into Administration on 31st August 2018. The property was vacant until June 2018 when Block 5 was leased to Carrs Loch Lomond Properties Limited at a stepped rent over the next 5 years with the current rental being £6,000 per annum.
- 3.2** The property is in a very poor condition having previously been used as a recycling facility. This was reflected in the rental deal agreed with Carrs for the lease of Block 5.
- 3.3** The property is not required by the Council for operational purposes.
- 3.4** Having successfully re-located and started operating from Block 5, Carrs Loch Lomond Properties Limited enquired about the possibility of buying their

existing property and the neighbouring Block 4. This would give them a self contained facility which they could upgrade and improve over time to suit their business needs.

4. Main Issues

- 4.1** In order to achieve a letting of Block 4 the Council would incur significant capital expenditure in putting the property into a condition whereby it could be re-let. In the interim period, the Council would continue to incur costs in terms of utility charges.
- 4.2** There is no certainty as to how long it would take to upgrade the units and thereafter to get them let and income producing. There would be significant ongoing management time involved in this process.
- 4.3** The sale will result in a capital receipt for the Council of £260,000.
- 4.4** Carrs of Loch Lomond are a well established local firm who operate a business dealing with the hire of buses, mini-buses and wedding cars. Their presence within Lomond Industrial Estate is an improvement aesthetically on the previous use of the premises as a recycling facility.
- 4.5** By encouraging Carrs to expand within this location it is anticipated that there will be economic benefits for the surrounding area in the form of knock- on effects for suppliers and other businesses .In addition, there could well be benefits in terms of local employment opportunities.

5. People Implications

- 5.1** There are no significant people implications for the Council other than the resources required by the Asset Management and Legal Services to conclude the proposed disposal.

6. Financial and Procurement Implications

- 6.1** The financial implications are that the Council will receive a capital receipt of £260,000 and will save on ongoing utility charges of approximately £1,500 per annum.
- 6.2** There are no procurement implications arising from this report.

7. Risk Analysis

- 7.1** There is clearly a risk that the sale will not proceed if the intended purchaser is not satisfied with their legal due diligence or they encounter difficulties obtaining funding.

7.2 If the intended purchase does not proceed with the acquisition on the agreed terms, we would recommend that Block 4 be re-furbished, upgraded and re-let on commercial leases .

8. Environmental Sustainability

8.1 The proposed use of the property as a garage for the storage and repair of buses and other vehicles is in keeping with the industrial nature of the surrounding area. The occupiers will be subject to all relevant environmental legislation and requirements.

9 Equalities Impact Assessment (EIA)

9.1 An Equality Impact Screening did not indicate any further action required

10. Consultation

10.1 Consultations have been undertaken with Legal in relation to the proposed disposal.

11. Strategic Assessment

11.1 By agreeing to this proposal the Council will support the re-location of a local business into the West Dunbartonshire Council area which should benefit the local economy both in terms of increased spending and job numbers.

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Date: 28 October, 2019

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Appendices: Appendix 1 – Site Plan.

Background Papers: None

Wards Affected:

Ward 2