



Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods, Regeneration and Sustainability

Contact: George McMillan Ext: 76151

Item 7

28th November 2024

**APPROVAL OF THE OFF-MARKET DISPOSAL OF LAND AT FARNELL STREET FORMING PART OF THE YARD OF 37-39 FARNELL STREET, GLASGOW, G4 9SE TO THE ADJOINING OWNER, CHAN'S LIMITED.**

**Purpose of Report:**

To seek Committee approval for the off-market disposal of land at Farnell Street forming part of the yard of 37-39 Farnell Street, Glasgow G4 9SE to the adjoining owner, Chan's Limited.

**Recommendations:**

That Committee:

1. notes the content of this report;
2. approves the off-market disposal of the subject to Chan's Limited, subject to the terms and conditions outlined in this report; and
3. authorises the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration to progress the disposal.

Ward No(s): 11 – Hillhead

Citywide:

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

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**Report to:** Contracts and Property Committee

**From:** Managing Director of City Property (Glasgow) LLP

**Date:** 28 November 2024

**Subject:** Approval of the off-market disposal of land at Farnell Street forming part of the yard of 37-39 Farnell Street, Glasgow, G4 9SE to the adjoining owner, Chan's Limited.

## **1. Description**

- 1.1 The subject is situated to the north-east of Farnell Street approximately 1 mile north of Glasgow City Centre.
- 1.2 The subject forms part of the site occupied by Chan's Cash and Carry at 37-39 Farnell Street and comprises a gently sloped site that is surfaced in concrete and tarmac, extending to 0.25 hectares (0.61 acres) as shown outlined and hatched and edged black on the enclosed plan.

## **2. Planning**

- 2.1 The [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. 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.

## **3. Background**

- 3.1 This report relates to the proposed off-market disposal of the above mentioned subject to Chan's Limited (the purchaser).
- 3.2 City Property (Glasgow) LLP (City Property) was instructed by Neighbourhoods, Regeneration and Sustainability (NRS) – Property and Consultancy Services (now Property Asset Management) on 15 August 2023 to progress with the disposal of the subject to the adjoining owner, Chan's Limited.

- 3.3 The subject site was declared surplus on 11 August 2023 following the procedural non-operational process with no notes of interest being received.
- 3.4 The Contracts and Property Committee granted authority to negotiate with Chan's Limited at its meeting of 1 February 2024. [Link to Committee Report.](#)
- 3.5 At its meeting on 10 October 2019, the City Administration Committee approved a policy for off-market disposals ([See link Report Details](#)). It is considered that the proposed disposal is compliant with Section 3.1.1 of the policy for, disposal to an adjoining proprietor where there is good reason for considering such sales e.g. land for extending gardens, extensions to residential or business premises.

#### **4. Current Position**

- 4.1 This report seeks authority to progress with the proposed disposal based on the terms and conditions which have been agreed with Chan's Limited and are detailed at *point 6* below.
- 4.2 The owner of the adjoining land, Chan's Limited, propose to expand their existing operations at 37-39 Farnell Street by developing the site to form a storage unit for dried goods.
- 4.3 Funding for the purchase will be provided via a Self-Invested Personal Pension (SIPP).
- 4.4 The subjects are not currently included in the Glasgow City Council's log of opted to tax property.
- 4.5 The subjects do not form part of the Council's Common Good.

#### **5. Purchaser**

- 5.1 Chan's Limited (SC092870).

#### **6. Terms and Conditions**

- 6.1 The purchase price shall be ONE HUNDRED AND TEN THOUSAND POUNDS SETRLING (£110,000), exclusive of Value Added Tax, if applicable, payable on the Date of Entry. For the avoidance of doubt, the sale price will not be subject to VAT.
- 6.2 The Date of Entry shall be agreed between the parties.
- 6.3 The subjects, as shown outlined, hatched and edged black on the enclosed plan, shall be used solely for the development of a storage unit for dried goods in connection with the purchaser's existing operations at 37-39 Farnell Street and for no other use whatsoever, without the prior written consent from the seller which shall be granted at their absolute discretion.

- 6.4 The purchaser shall satisfy itself with regard to the seller's title including any tree preservation orders.
- 6.5 The purchaser shall be responsible for the seller's reasonable legal expenses in connection with this transaction, together with City Property's (Glasgow) LLP's fee of £1,500, plus Value Added Tax.
- 6.6 The subject has not been opted to tax.
- 6.7 In the event that the purchaser disposes the subject prior to the proposed development commencing, then the purchaser shall pay to the seller 100% of all sales proceeds in excess of the agreed price, subject to the deduction of any costs incurred by the purchaser during the sales process. Any sales overage will be payable by the purchaser to the seller within 2 months of the date of onward sale of the subjects failing which the purchaser will pay on demand to the seller any interest accrued from the date the amount became due until the date of payment.
- 6.8 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.
- 6.9 The purchaser shall notify the seller within 14 days of the granting of planning permission for a more valuable land use.
- 6.10 The overage conditions contained herein shall be secured by way of economic development burdens enforceable by the seller as local authority burdening the title of the whole subjects from the date of entry.
- 6.11 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.
- 6.12 All third-party determination in the contract of sale shall be by an independent expert and not by way of arbitration, who will be professionally qualified for at least 10 years in the field in which the dispute arises.
- 6.13 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.
- 6.14 The Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration 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:

|                     |   |
|---------------------|---|
| <i>Financial:</i>   | The approval of the off-market disposal will generate a capital receipt for Glasgow City Council. |
| <i>Legal:</i>       | The legal team will need to conclude this transaction.  |
| <i>Personnel:</i>   | No direct personnel issue.  |
| <i>Procurement:</i> | No procurement implications.  |

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| <b>Council Strategic Plan:</b> | Grand Challenge 4: Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.<br><br>Mission 1 – Create safe, clean and thriving neighbourhoods. |
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### Equality and Socio-Economic Impacts:

|   |  |
|---|--|
| <i>Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.</i>     | No specific equality related outcomes.                     |
| <i>What are the potential equality impacts as a result of this report?</i>                    | No equality impacts identified.                            |
| <i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i> | The proposal has no impact on socio economic disadvantage. |

### Climate Impacts:

|  |   |
|--|---|
| <i>Does the proposal support any Climate Plan actions? Please specify:</i> | Whilst not supporting specific Climate Plan actions the proposed development will be subject to statutory guidelines. |
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*What are the potential climate impacts as a result of this proposal?* There are no potential climate impacts for this proposal at this time.

*Will the proposal contribute to Glasgow's net zero carbon target?* It is considered that the proposal will not have either a position or negative contribution to the City's net zero carbon target.

**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.

## **8. Recommendations**

That Committee:

- 8.1 notes the contents of this report;
- 8.2 approves the off-market disposal of the subject to Chan's Limited, subject to terms and conditions outlined in this report; and
- 8.3 authorises the Executive Director of Neighbourhoods, Regeneration and Sustainability in consultation with the Director of Legal and Administration to progress the disposal.