



Glasgow City Council

Contracts and Property Committee

Report by Executive Director of Neighbourhoods,
Regeneration and Sustainability

Item 3

1st May 2025

Contact: David McEwan Ext:

**TO PERMIT THE SCOTTISH EVENT CAMPUS (SEC) TO GRANT THE
OPTION TO LEASE LAND AT STOBCROSS RD TO PEEL FOR THE
DEVELOPMENT OF A RIVER HEAT FACILITY AND TO GRANT A
DISCHARGE/DEED OF RESTRICTION FROM THE STANDARD SECURITY
OVER THE AREA**

Purpose of Report:

To seek Committee's approval to permit SEC to grant the option to lease land at Stobcross Rd to Peel for the development of a river heat facility and to grant a Discharge/Deed of Restriction from the standard security over the area.

Recommendations:

It is recommended that the committee:

1. Notes the content of this report.
2. Approves Glasgow City Council to permit SEC to grant the option to lease land at Stobcross Rd to Peel for the development of a river heat facility and to grant a Discharge/Deed of Restriction from the standard security over the area, and
3. Approves that the Director of City Development in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining and all necessary legal agreements and side letters.

Ward No(s): 10 Anderston/City/Yorkhill Citywide: ✓

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

PLEASE NOTE THE FOLLOWING:

Any Ordnance Survey mapping included within this Report is provided by Glasgow City Council under licence from the Ordnance Survey in order to fulfil its public function to make available Council-held public domain information. Persons viewing this mapping should contact Ordnance Survey Copyright for advice where they wish to licence Ordnance Survey mapping/map data for their own use. The OS web site can be found at <http://www.ordnancesurvey.co.uk> "

If accessing this Report via the Internet, please note that any mapping is for illustrative purposes only and is not true to any marked scale

1.0 Introduction

- 1.1 This report relates to the proposal to permit SEC to grant the option to lease land at Stobcross Rd to Peel for the development of a river heat facility and to grant a discharge/deed of restriction from the standard security over the area. Whilst SEC own the land the Council's standard security requires, they obtain the Council's consent and pay the Council the proceeds of sale.

2.0 Background

- 2.1 The Scottish Development Agency first supported the construction of an exhibition centre in Glasgow in 1979. The construction of the SEC Centre buildings began on the site in 1983.
- 2.2 Since the opening of the original buildings in 1985, the complex has undergone two major expansions; the first being the SEC Armadillo in 1997, and then the OVO Hydro in 2013. The venue's holding company SEC Limited, is 91% owned by Glasgow City Council and 9% owned by private investors.
- 2.3 The 'West Development Site' (WDS) shown on the attached plan was retained by SEC at the time of the sale and leaseback in 2012. The intention was that the West Development Site would be sold in the future and the proceeds of the sale would be paid back to the Council (up to £40 million), and in this way the Council would recoup some of the funding/investment provided to the SEC. A standard security was put in place to secure this sum.
- 2.4 The standard security requires that:
- i. The Council's consent is required for the disposal.
 - ii. on each 'Relevant Disposal' (any sale, transfer, lease or sublease) of the security subjects, SEC must pay the 'Net Proceeds of Sale' (sum received less allowable costs) to the Council, and in exchange the Council are to grant a discharge/deed of restriction in respect of the standard security, insofar as it affects that part of the site.

3.0 Proposal

- 3.1 SEC proposes to grant the developer, Peel, a 2-year option over a plot of land on the campus.
- 3.2 The option allows Peel to take a long-term lease to develop and operate a river heat facility to supply SEC (and other customers) with energy.
- 3.3 A plan showing the optioned land (and proposed location of the facility) is attached.
- 3.4 This land falls within the WDS over which GCC have a security as noted above.

- 3.5 Should Peel exercise its option, the lease granted to them amounts to a Relevant Disposal and the resultant Net Proceeds of Sale will be paid to the Council.
- 3.6 A calculation for payment will be made based on the terms of the lease granted to Peel. Heads of terms have been agreed which include a base rental and an overage dependent on output.
- 3.7 If required a further authority will be sought following an agreement on the calculation for the Net Proceeds of Sale and the associated Discharge/Deed of Restriction of the standard security.
- 3.8 SEC propose to grant a security to Peel as part of the option agreement and GCC's consent to the granting of this security is required.
- 3.9 GCC's legal fees will be covered by SEC.

4.0 Policy and Resource Implications

Resource Implications:

Financial: Should the option be exercised, the Council will receive the monies charged under the lease.

Legal: All transactions will be subject to review and conclusion by the Council's Corporate and Property Law section.

Personnel: There are no direct personnel implications.

Procurement: There are no relevant procurement issues.

Council Strategic Plan: Grand Challenge 3 Mission 2
Become a net zero carbon city by 2030.

Equality and Socio- Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify. n/a

What are the potential equality impacts as a result of this report? no significant impact

Please highlight if the policy/proposal will help address socio-economic disadvantage. n/a

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: Yes. The proposal will see natural resources used to produce energy

What are the potential climate impacts as a result of this proposal? Potentially positive.

Will the proposal contribute to Glasgow's net zero carbon target? The proposal is in line with the policy of using natural resources to produce energy.

Privacy and Data Protection Impacts: None

4.0 Recommendations

It is recommended that the committee:

1. Notes the content of this report.
2. Approves Glasgow City Council to permit SEC to grant the option to lease land at Stobcross Rd to Peel for the development of a river heat facility and to grant a Discharge/Deed of Restriction from the standard security over the area, and
3. Approves that the Director of City Development in consultation with the Director of Legal and Administration be authorised to conclude all other matters pertaining and all necessary legal agreements and side letters.