

**Glasgow City Council****Contracts and Property Committee****Report by George Gillespie, Executive Director of Neighbourhoods, Regeneration and Sustainability****Contact: George McMillan Ext: 76151**

**PROPOSED DISPOSAL OF THE SITE OF THE FORMER HOWFORD  
PRIMARY SCHOOL AND SCHOOLHOUSE, 487 CROOKSTON ROAD,  
GLASGOW G53 7TX**

**Purpose of Report:**

To advise committee on the outcome of the marketing exercise carried out by City Property (Glasgow) LLP in respect of the above noted property.

**Recommendations:**

That Committee

1. notes the content of this report; and
2. approves the disposal of site of the former Howford Primary School and Schoolhouse, 487 Crookston Road, Glasgow to Bellway Homes Limited subject to the terms and conditions as outlined in this report.

Ward No(s): 3-Greater Pollok

Citywide: ✓

Local member(s) advised: Yes ☐ No ✓

consulted: Yes ☐ No ✓

**PLEASE NOTE THE FOLLOWING:**

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**Report to: Contracts and Property Committee**

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

**Date: 7 November 2024**

**Subject: Proposed disposal of the site of the former Howford Primary School and Schoolhouse, 487 Crookston Road, Glasgow G53 7TX.**

## **1. Description**

- 1.1. The subject comprises the site of the former Howford Primary School and Schoolhouse, 487 Crookston Road, Glasgow G53 7TX, shown outlined black on the attached plan, extending to 3.33 hectares (8.23 acres) or thereby and is accessed from Crookston Road.

## **2. Planning**

- 2.1. [Glasgow City Development Plan](#) was adopted on 29 March 2017. The new local development plan replaced 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, having overarching policies CPD1 Placemaking & CDP 2 Sustainable Spatial Strategy encouraging development to be informed by a placed base approach.

## **3. Background**

- 3.1 The school and schoolhouse were declared surplus to the Council's operational requirements on 30 March 2019 and 23 October 2019 respectively. Both buildings were subject to emergency demolition following fires, leaving cleared sites.
- 3.2 Approval was obtained via delegated authority on 18 February 2020 for the sale of the land to BMI Healthcare Ltd (BMI) for the headline price of £3,311,000 and a net minimum price of £3,250,000. Subsequent committee approval was obtained on 26 November 2020 (see link [Report Details](#)) to deal off-market with BMI for the adjoining schoolhouse site and neighbouring ground, which had become available after the initial marketing of the school site.
- 3.3 Due to a restructure at BMI, their executive board no longer supported the acquisition and they subsequently resiled from the sale. The site was placed back on the market on 31 March 2021.

- 3.4 A closing date was set for 10 June 2021, whereby six offers were received with the highest bid submitted by Robertson Living Limited (Robertson), who proposed a residential development with a mix of detached and semi-detached homes for private sale. The offer was for a headline price of £3,871,548 with abnormal costs capped at £1,218,470, which provided a net minimum price of £2,653,078.
- 3.5 Approval to proceed with the top bidder was obtained via delegated authority on 26 October 2021 and missives were concluded on 31 March 2022 subject to obtaining planning permission for 70 units.
- 3.6 After lengthy negotiations, the planning application was minded to grant on 29 August 2023 for 57 units subject to Section 75/69 agreement and other conditions (see link for [Planning Report Details](#)). Due to the reduction in units, Robertson were unable to complete on their original bid and as a revised offer could not be agreed, Robertson resiled from the sale.

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

- 4.1 The site was placed back on the market on 19 June 2024, with the bid submission guidance referring interested parties to the minded to grant planning application. A closing date was set for 4 September 2024.
- 4.2 Fourteen offers were received at the closing date, with the majority being residential proposals for a similar scheme to the minded to grant planning application.
- 4.3 The highest bid (*Bid 1*) was a conditional offer, with a headline price of £5,058,000 and a net minimum price of £3,550,000 for a scheme of 58 residential units, subject to planning consent, after the deduction of anticipated abnormal costs. The original offer proposed that the payment would be made in 2 equal tranches, with the first half payable on the date of entry and the second tranche 12 months thereafter. Although the bidder stated the phased payments were to help with cashflow, they advised that a single payment could be made, if required.
- 4.4 The second highest bid (*Bid 2*) was made by Bellway Homes Limited, who submitted an unconditional offer of £3,000,000, with a target completion date of January 2025. The proposal mirrored the current minded to grant application of 57 units.
- 4.5 As the current planning application is not transferable, any parties wishing to develop the site would be required to submit a new planning application. Consultation with planning officers established that the timescale for a new application to be determined may require up to 14-months with a further 2-months to purify suspensive conditions.
- 4.6 Following assessment of the two highest offers, we consider *Bid 1* introduces the following risks:

- A new planning application would be required, as the offer is suspensive on obtaining full planning permission.
  - The proposal varies from the recent minded to grant planning application. There is an increase of one additional unit.
  - Abnormal costs have still to be determined. It is our understanding these costs will be significant, and we would not anticipate achieving a capital receipt above the net minimum price.
- 4.7 Assuming the net minimum price is agreed at £3,550,000, the present value (PV) at the date of concluding the transaction (March 2026) is equivalent to £3,305,998, when a discount rate of 5.5% (rate of interest) is applied. The PV may decrease if the sale completion date extends beyond March 2026 and/or if interest rates increase.
- 4.8 It is our considered opinion that the unconditional offer from Bellway Homes Limited represents the best consideration for the Council. This would provide a capital receipt of £3,000,000 this financial year. A sales revenue overage provision is included within the offer and provides for an uplift to be obtained upon the completion of their sales, as per clause 6.9 below.
- 4.9 It is our recommendation that the offer from Bellway Homes Limited is accepted, subject to the terms and conditions highlighted in section 6 below.

## **5. Purchaser**

- 5.1 Bellway Homes Limited (Company Registration No: 670176)

## **6. Terms and Conditions**

- 6.1 The subjects comprise the site shown edged and hatched black on the enclosed plan, extending to 3.33 hectares (8.23 acres) or thereby. Please note that the attached plan is for indicative purposes only.
- 6.2 The purchase price shall be THREE MILLION POUNDS STERLING (£3,000,000) exclusive of Value Added Tax (VAT), payable on the date of entry. For the avoidance of doubt, the sale price will be subject to VAT.
- 6.3 The purchaser has committed to complete the purchase by January 2025, therefore it will be a condition of the missives that the Date of Entry will be no later than 31 January 2025.
- 6.4 The subjects, edged and hatched black on the attached plan, shall be used solely for the proposed residential development of up to 57 units and for no other use whatsoever.
- 6.5 The purchaser shall satisfy itself with regard to the seller's title including any tree preservation orders.

- 6.6 Each party are responsible for their own legal expenses in connection with this transaction.
- 6.7 In the event that the purchaser disposes the subjects prior to the proposed development commencing within 5 years from the date of entry, then the purchaser shall pay to the seller 50% of all sales proceeds in excess of THREE MILLION POUNDS STERLING (£3,000,000), subject to the deduction of any reasonable marketing costs incurred by the purchaser during the sales process. Any clawback will be payable by the purchaser to the seller within 14 days 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 reasonable costs incurred in the event that planning consent for a more valuable land use is gained within 5 years from the date of entry. Payment of any planning overage due shall be payable within 14 days of planning permission being granted.
- 6.9 It is agreed that the purchaser shall pay to the seller a Sales Revenue Overage calculated on the following basis:
- $20\% \text{ of } M - (A \times B) - (C2 - C1)$
- Where:
- M is the aggregate Open Market Net Sales Receipts.  
A is the Average £/sq.ft Revenue.  
B is the aggregate of the sq.ft Net Sales Area.  
C1 is the aggregate of the Build Costs.  
C2 is the Build Costs Indexed to BCIS All-In TPI, at the point of last plot sale completion.
- The timescales for payment of any Sales Revenue Overage along with confirmation of both Build Costs and Revenue values must be agreed between the parties prior to the conclusion of missives.
- 6.10 In the event that the parties are unable to agree on the matters detailed in clauses relating to clawback/overage then the dispute shall be resolved by an Independent Expert, who will be professionally qualified for at least 10 years in the field in which the dispute arises.
- 6.11 The clawback/overage conditions contained herein shall be secured by way of a Standard Security.
- 6.12 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.

- 6.13 All third-party determination in the contract of sale shall be by an independent expert and not by way of arbitration.
- 6.14 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.
- 6.15 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:

*Financial:* The disposal will generate a substantial capital receipt for the Council.

*Legal:* The legal team will be required to conclude the transaction.

*Personnel:* No direct personnel implications.

*Procurement:* No procurement implications.

**Council Strategic Plan:** Grand Challenge 4: Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities.

Mission 1 – Create safe, clean and thriving neighbourhoods.

**Equality and Socio-Economic Impacts:** No specific equality related outcomes.

*Does the proposal support the Council's Equality Outcomes 2021-25? Please specify.* No specific equality related issues.

*What are the potential equality impacts as a result of this report?* No equality impacts identified.

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| <i>Please highlight if the policy/proposal will help address socio-economic disadvantage.</i> | The proposal has no impact on socio-economic disadvantage. |
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**Climate Impacts:**

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| <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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| <i>What are the potential climate impacts as a result of this proposal?</i> | There are no potential climate impacts for this proposal at this time. |
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| <i>Will the proposal contribute to Glasgow's net zero carbon target?</i> | It is considered that the proposal will not have either a positive or negative contribution to the City's net zero carbon target. |
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| 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, to the Corporation of the City of Glasgow as Education Authority, 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. |
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| <b>Privacy and Data Protection Impacts:</b> | No privacy or data protection impacts identified. |
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## 8. Recommendations

That Committee:

- 8.1 notes the contents of this report; and
- 8.2 approves the disposal of site of the former Howford Primary School and Schoolhouse, 487 Crookston Road, Glasgow to Bellway Homes Limited subject to the terms and conditions as outlined in this report.