

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 14 DECEMBER 2004

PROPOSED DISPOSAL OF UNIT 1, CUMNOCK BUSINESS PARK, GLAISNOCK ROAD, CUMNOCK

Report by Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1** To request that the Committee declare surplus to requirements the property known as Unit 1, Cumnock Business Park, Glaisnock Road, Cumnock to enable the subjects to be sold to Caledonian Bottlers Plc.

2. BACKGROUND

- 2.1** Cumnock Business Park was originally developed as a joint venture between Scottish Enterprise Ayrshire and the former Cumnock and Doon Valley District Council. Two advanced factory units, each with a gross internal floor area of approximately 1,858 square metres (20,000 square feet) were constructed upon the site.
- 2.2** In 1998, Unit 2 and adjoining land extending in total to 4.15 hectares (10.25 acres) or thereby was sold to Caledonian Bottlers Plc.
- 2.3** Unit 1, which remains within the joint ownership of Scottish Enterprise Ayrshire and the Council, is currently let to E & M Manufacturing Limited for the manufacture of clothing.

3. CURRENT POSITION

- 3.1** As a result of a downturn in the business, E & M Manufacturing Limited have contacted the Managing Agents, Scottish Enterprise Ayrshire, about the possibility of renouncing their lease.
- 3.2** Caledonian Bottlers Plc have secured additional contracts and wish to expand their business. In order to accommodate the expansion proposals, the company have enquired about the possibility of purchasing Unit 1, should the property be vacated by E & M Manufacturing Limited.
- 3.3** Scottish Enterprise Ayrshire are supportive of both companies requests and wish to accommodate their requirements. It is proposed that E & M Manufacturing Limited will relocate to smaller premises within Cumnock.

4. FINANCIAL IMPLICATIONS

- 4.1** By declaring the subjects surplus to requirements, the Council's share of the rental income, amounting to £19,760 per annum, will be foregone.

4.2 If the subjects are declared surplus, the Council will receive a Capital Receipt from the sale of the property which will be shared with Scottish Enterprise Ayrshire. The apportionment of the receipt will be in accordance with the original joint venture agreement, with the Council receiving 38%. The Capital Receipt will be credited to the General Services Capital Account.

5. LEGAL IMPLICATIONS

5.1 The lease agreement with E & M Manufacturing Limited will require to be renounced to enable the subjects to be sold with vacant possession.

5.2 The transaction will be conditional upon Scottish Enterprise Ayrshire declaring the land surplus to requirements and approving the proposed sale to Caledonian Bottlers Plc.

6. POLICY IMPLICATIONS

6.1 It is normal council policy to advertise buildings and land for sale on the open market, unless there are special reasons to do otherwise. The sale of this land will enable the expansion of an existing business to proceed and this is considered to be a special reason for dealing direct with the applicant.

7. RECOMMENDATION

7.1 It is recommended that Committee:-

- (i) Declare the subjects comprising Unit 1, Cumnock Business Park, Glaisnock Road, Cumnock surplus to the requirements of Development and Property Services for the purposes of sale to Caledonian Bottlers Plc, and
- (ii) Refer the matter thereafter to the Executive Director of Development and Property Services to negotiate terms and conditions of sale and to report any provisional agreement reached to the Policy and Resources Committee for consideration.

James Lavery
Executive Director of Development and Property Services
29 November 2004
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BACKGROUND PAPERS

Nil

For further information on this report, please contact Robert Paton, Head of Economic Development and Property (Tel: 01563 576142)

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