

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref HR/IM/90010841/WARD2 Date 29 May 2019

Smithstone Project: Ring-Fencing of Funds from Final Capital Receipt

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Executive Summary

The report concerns the proposed ring-fencing of funds from the second tranche of the capital receipt which is due during August 2019 from the sale of land at Smithstone 1, Strath Brennig Road, Cumbernauld. This will allow final outstanding master-planning project costs to be met.

Recommendations

It is recommended that the Finance and Resources Committee:

1. Note that a sum of £150,000 will be ring-fenced from the second tranche capital receipt from sale of land at Smithstone 1, Cumbernauld. The second tranche payment of £2,253,500, for the sale of Smithstone 1, is due to be received during August 2019.

Supporting Documents

Council business plan to 2020

The proposed ring-fencing of these funds will contribute to meeting the council's Business Plan Priority Outcome of improving economic opportunities and outcomes. [NL Business Plan](#)

Appendix 1

Location Plan

1. Background

- 1.1 The sale of land at Smithstone 1, Cumbernauld settled during August 2018. This disposal is the final land release from the Smithstone area of Cumbernauld. Land at Smithstone formed part of the land transfer package from the former Cumbernauld Development Corporation.
 - 1.2 The Smithstone residential development project has been the subject of various reports since the first master planning report considered at Housing and Property Services Committee held on 29 November 2000.
 - 1.3 The most recent report in relation to Smithstone was considered by the Infrastructure Committee on 8 November 2017. This related to a marketing exercise undertaken for Smithstone 1, and reported on bids received, with a recommendation to sell the site to Persimmon Homes North Scotland. Disposal of the Smithstone 1 site subsequently settled in August 2018.
 - 1.4 Policy and Resources (Property) Sub-Committee previously gave consideration to a master planning report for the Smithstone project, at its meeting on 4 September 2007. This report detailed all outstanding issues at that time, which would require future expenditure and indicated the need for a further report once all additional items had been calculated. The recent report to committee on 8 November 2017 referred to the need to ring-fence funds from the second tranche capital receipt from the sale of land at Smithstone 1, to allow outstanding master-planning project costs to be met.
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2. Report

- 2.1 As detailed in 1.4 above, committee previously gave consideration to a master planning report. This set out the principle that the Smithstone project required to be self-financing at the same time as generating substantial capital receipts.
 - 2.2 Smithstone 1 was the final land release for the project. A number of known outstanding issues, relating to master planning of the whole area, require to be finalised. These relate to costs associated with the upgrade of the existing SUDS basin, associated pipes and landscaping. Some further items in the committee report of September 2007 have already been addressed.
 - 2.3 The costs associated with these outstanding works have now been estimated, and it is proposed that the sum of £150,000 be set aside from the final Smithstone capital receipt of £2,253,500 which will be received during August 2019. This will allow final outstanding project costs to be met.
 - 2.4 It should be noted that this represents the final opportunity to fund the outstanding project works from a Smithstone capital receipt, so ensuring that the whole project is self-financing.
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3. Equality and Diversity

3.1 Fairer Scotland

There is no requirement to carry out an assessment in this regard.

3.2 **Equality Impact Assessment**

There is no requirement to carry out an assessment in this regard.

4. **Implications**

4.1 **Financial Impact**

The overall capital receipt will be reduced by the ring-fenced amount and the scheme will have achieved the goal of being self-financing.

4.2 **HR/Policy/Legislative Impact**

There are no specific impacts.

4.3 **Environmental Impact**

There are no specific impacts arising out of this proposal.

4.4 **Risk Impact**

There are no specific risk impacts arising out of the proposal.

5. **Measures of success**

- 5.1 The proposed ring-fenced expenditure will enable North Lanarkshire Council to upgrade the existing SUDS basin at Smithstone, to an adoptable standard. The basin can then be put forward for adoption by Scottish Water, with the intention that Scottish Water will become responsible for future maintenance, and associated costs of same.
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Head of Asset and Procurement Solutions

Appendix 1

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LOCATION PLAN - For Information Only

Title: Strath Brenneg Road

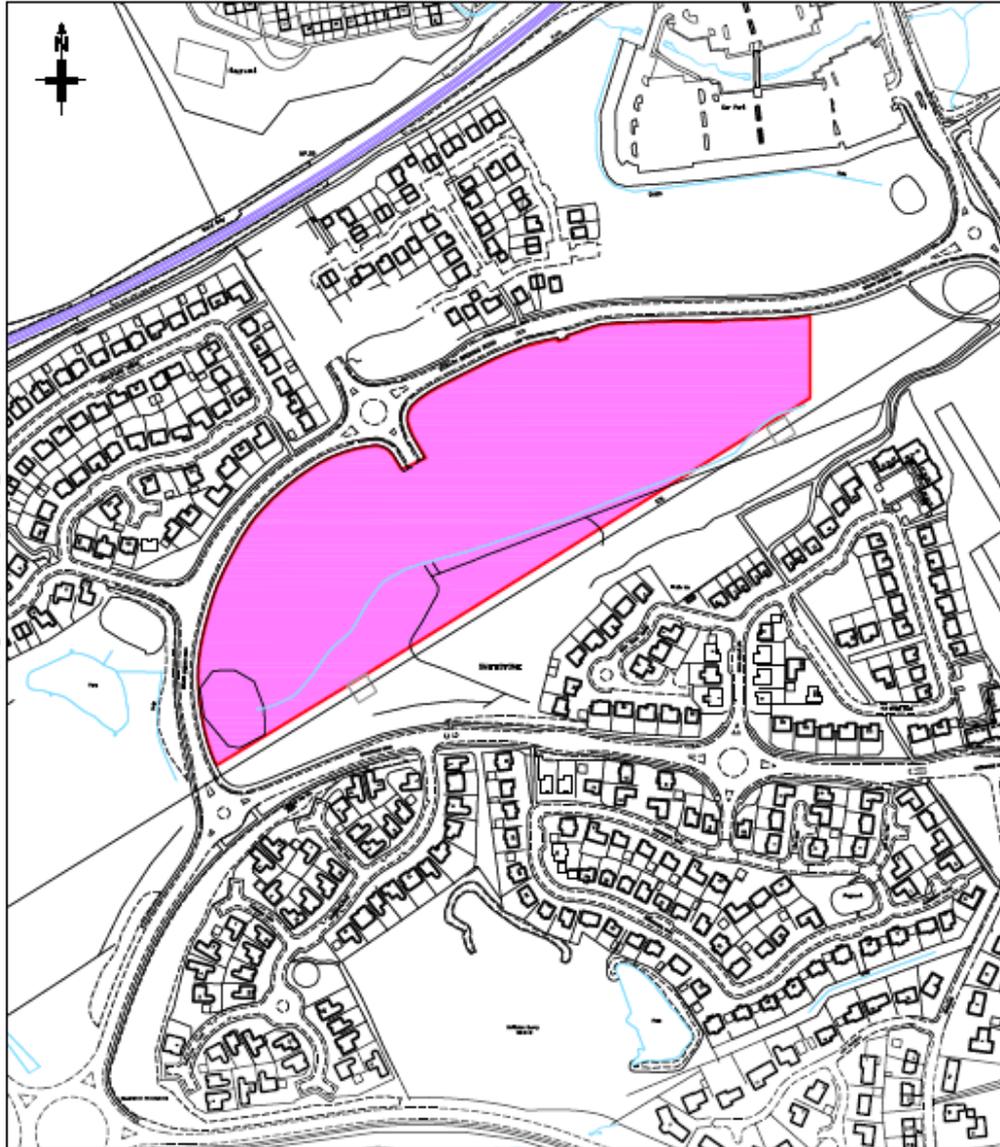
Scale 1:N.T.S.



Town: Cumbernauld

Date: 04/10/2017

INFRASTRUCTURE



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