



To: Infrastructure Land & Environment Policy Board

On: 30 August 2023

Report by: Chief Executive

Heading: Dargavel – Land transfer to Renfrewshire Council for new school site

1. Summary

- 1.1 The purpose of this report is to seek approval for draft Heads of Terms between Renfrewshire Council and BAE (landowner) for transfer of two sites at Dargavel Village to the Council for education purposes.
 - 1.2 The sites in question are identified within the report and the draft Heads of Terms are appended for member review.
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2. Recommendations

- 2.1 It is recommended that the Infrastructure Land & Environment Policy Board agrees:
 - (i) the draft Heads of Terms appended to this report (Appendix 2); and
 - (ii) to delegate authority to the Head of Economy & Development and Head of Corporate Governance to progress towards exchanging agreed missives with BAE for the formal transfer of the land itemised in this report to Council ownership;
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3. Background

- 3.1 The Dargavel Village development has been proposed for some time to make a significant contribution to Renfrewshire's longer term housing land requirement. The site is the biggest current development site in Renfrewshire and will eventually deliver more than 4,300 homes. The issues arising from underestimated school capacity related to the residential development has been well documented in previous reports to appropriate Boards and full Council.
- 3.2 Since the issue of lack of school capacity was identified by the Council in late 2022, regular discussions have taken place between BAE and the Council as part of identifying a long-term solution to support the delivery of additional school capacity to meet the long term needs of the Dargavel Village development. It became clear early in this process that a site for a new additional primary school for Dargavel Village would have to be identified to allow the future capacity requirements to be met. This aligns with the School Strategy set out and confirmed by the Council at the Education and Children's Services Policy board in May 2023.
- 3.3 The School Strategy also identifies a preference to secure land adjacent to the existing Dargavel Primary school site to provide greater flexibility within the school curtilage. The expanded school site would provide additional flexibility to support adequate social and play space following the expansion of school capacity through the deployment of additional modular classrooms and also allow for the ability to extend the existing Dargavel Primary School (if required) in the longer term. This factor also featured strongly in the discussions with BAE.
- 3.4 An appraisal has been undertaken to examine potential alternative sites suggested to the Council in the Dargavel / Bishopton area. Criteria applied in the appraisal included:
- Size of site sufficient to meet scale of school required and allow for complementary sport pitch facilities that would also support wider community use;
 - Accessibility of the site to existing and planned housing to support active travel by pupils through walking, wheeling, scootering and cycling to school as well as supporting ease of access for community use of the facility outwith school hours;
 - Availability of the site being considered;
 - Deliverability of a new school on the site within the desired timescales;

4. Preferred site

- 4.1 During the above discussions Council officers identified site E1 in the Dargavel Masterplan (see Appendix for specific location) as the preferred site. In addition to providing a strong alignment to the above criteria, identifying this preferred site was also influenced by the need to have an appropriate central location that would allow for the Dargavel residential catchment to be divided in due course into two sustainable catchment areas.

Such masterplan considerations are important not just to support the establishment of sustainable education catchments for both schools, but also to ensure that in the long term the spatial layout of Dargavel Village best supports and works for the needs of the community over the very long term.

- 4.2 Of the remaining undeveloped sites within the Dargavel Masterplan, site E1 was the optimum option. Spatially, it is also sufficiently distant from the existing Dargavel Primary School to allow for a distinct geographical location which will be important to allow a separate school identify to be created for the second primary school.
- 4.3 Other sites were suggested (by BAE and members of the community) either within the immediate vicinity of the existing school, outwith and around the periphery of the Dargavel Masterplan and around Bishopton. However, none of these sites were considered to meet the defined criteria as strongly as site E1.
- 4.4 In terms of having the ability to extend the existing primary school, officers have negotiated that approx. 0.6 hectares (c. 1.5 acres) of site C1 in the Masterplan (immediately adjacent to the east side of the school) will also be transferred to Council ownership.

5. Draft Heads of Terms

- 5.1 The draft Heads of Terms for the transfer of the two parcels of land from BAE to Renfrewshire Council are appended to this report (Appendix 2).
- 5.2 In summary, in return for the land transfer of circa. 4 hectares (c. 10 acres) across the two parcels of land at a cost of £1.00 (if asked). BAE will:
 - remediate the sites to the standard required for education development;
 - provide requisite road connections to the site boundary;
 - supply HV power connection to the sites;
 - provide surface water connections to both parcels of land;
- 5.3 In return officers are recommending the Council will commit to:
 - Agreeing that the capacity of Dargavel Masterplan will be 4,322 homes. Any proposals for development beyond this number would require to be subject to a new planning application which would be considered afresh against the LDP and other relevant considerations [subject to agreement by Council's Planning Board as appropriate];
 - Agreeing to reduce the overall number of social rented homes to be provided within the Dargavel Masterplan by 93 units. This change will still result in 243 social rented homes being delivered across the development along with more than 900 lower cost homes for sale as part of the overall Affordable Housing Strategy. This will require the Affordable Housing Strategy (associated with the Section 75) to be amended.

This housing would have accounted for circa 8 acres of land that would have been required to be provided direct by BAE / housebuilders. When combined with the switch of commercial land (see below) this broadly offsets the 10 acres of land released by BAE to the Council for education purposes. Other sites elsewhere in Renfrewshire will be identified to accommodate the 93 social housing units no longer being provided at Dargavel;

- Offering a guarantee that the 4 current applications for detailed permission by Taylor Wimpey and Persimmon (542 homes total) will be determined by the Council by 15 Sept 2023. These homes are all included within the total capacity referred to above. This is to provide confidence that BAE can close out their agreements with these respective housing developers and guarantee cashflow for BAE's Dargavel project to allow them to move on with further infrastructure investment and site decontamination works within the Masterplan, which includes delivering accelerated decontamination and infrastructure requirements for the proposed school site;
- Redesignating the remainder of site C1 from "commercial" to "residential" use;

5.4 The planning issues referred to in this Board report will be picked up in more detail in an update report to the Council's Planning and Climate Change Policy Board in August 2023.

6. Next Steps

6.1 If Board approve the draft Heads of Terms for this land transaction with BAE, officers will then move forward to agree and exchange missives which (once signed by both parties) will allow the land to formally transfer to Renfrewshire Council's ownership.

6.2 Members should note that the draft Heads of Terms are the latest version agreed between BAE and Council (dated 4 August 2023). These Heads of Terms will be superseded by the agreed missives (which are legally binding on both parties), which will reflect the latest agreed position. However, it is anticipated that the substance of the agreement will remain as per the appended document.

6.3 Once the land is in the ownership of the Council (estimated Sept 2023) then officers will move to assess the new school site in more detail and begin the groundwork to procure a contractor to design and build the required new school in the requisite timescales to fit the overall programme. Subsequent reports will be brought back to relevant Boards at the appropriate junctures in this process, including procurement contracts, planning applications, etc.

Implications of the Report

1. **Financial** – there are no direct financial implications arising from the land transfer of 2 sites at Dargavel Village from existing landowner, reflecting the £1 if asked terms of the transfer.
2. **HR & Organisational Development** – there are no direct HR or organisational implications arising from this report.
3. **Community Planning** – community representatives have been communicated with throughout the negotiation process and the development of the School Strategy for the Dargavel catchment.
4. **Legal** – the Heads of Terms will form the basis of the drafting of legal missives to support the formal transfer of the land parcels from BAE ownership to the Council and subject to board approval would be progressed and legally concluded under delegated authority by officers.
5. **Property/Assets** – As per this report.
6. **Information Technology** – None.
7. **Equality & Human Rights**

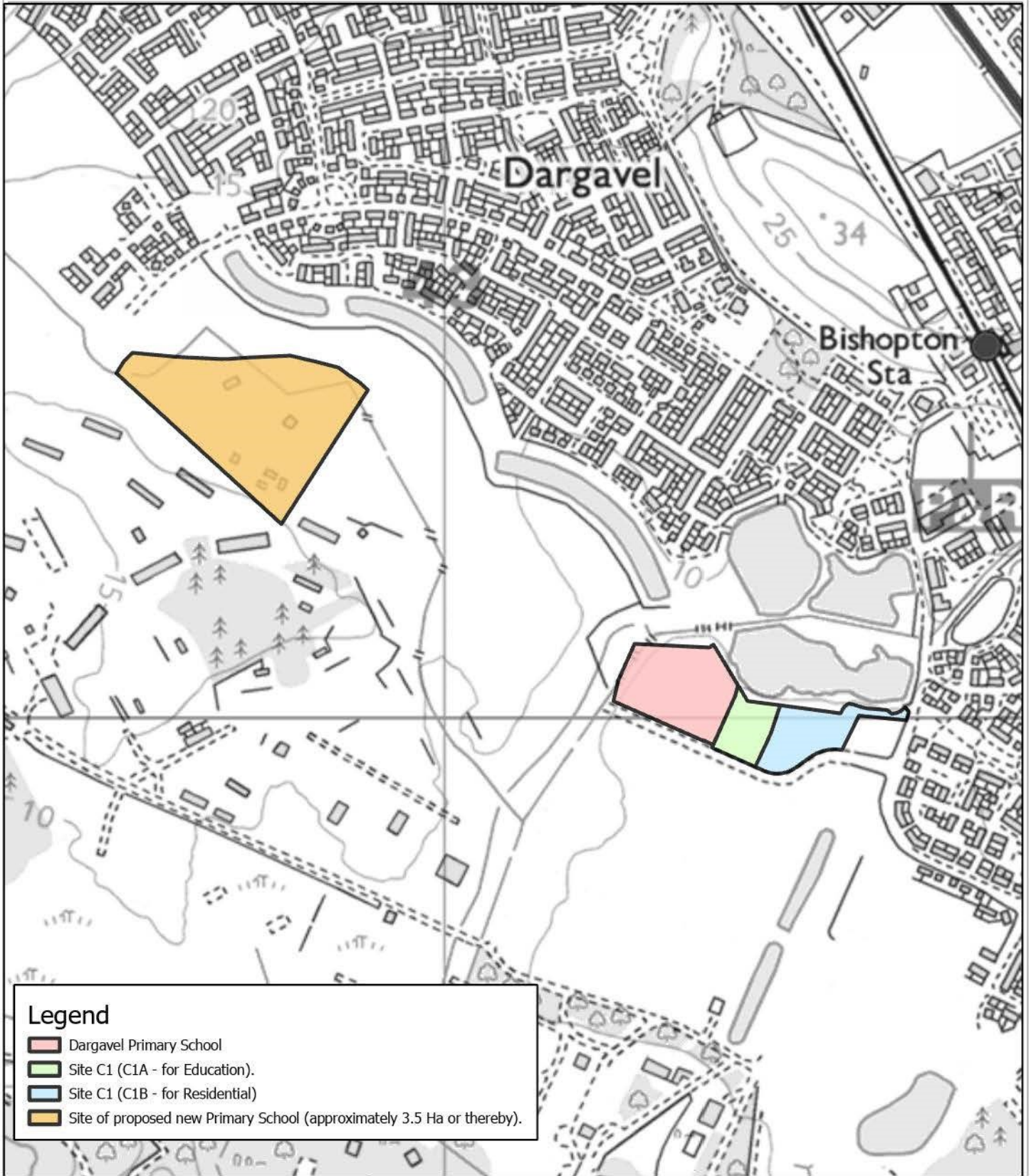
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because no groups or individuals have any involvement currently at the property. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety** – None.
9. **Procurement** – Not applicable.
10. **Risk** – securing the land transfer as outlined in the report will provide the Council with suitable available land in Council ownership to support delivery of the identified requirement to expand primary school educational capacity within Dargavel Village. This will remove a major risk and impediment to the Council meeting its statutory obligation to provide adequate education provision within the catchment area and will also enhance the capability of the Council to secure increased flexibility to respond to the long risk associated with future education demand within Dargavel being at the upper end of projected scenarios over the long term.
11. **Privacy Impact** – Not applicable.
12. **Cosla Policy Position** – Not applicable.

List of Background Papers –

- Dargavel – Planning Update; Planning and Climate Change Policy Board; 29 August 2023
- Dargavel Education Provision; Education and Children’s Services Policy Board; 18 May 2023

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Legend

- Dargavel Primary School
- Site C1 (C1A - for Education).
- Site C1 (C1B - for Residential)
- Site of proposed new Primary School (approximately 3.5 Ha or thereby).

Notes:

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**DRAFT
Heads of Terms**

in respect of the TRANSFER of land at Dargavel Village, Bishopton

4 August 2023

These Heads of Terms are not intended to be legally binding in themselves.

- 1. Landowner (Seller):** BAE Systems (Property Investments) Limited ('BAE')
- 2. Granter's Solicitors:** Andrew Hall, Shepherd & Wedderburn, 1 West Regent Street, Glasgow G2 1RW
- 3. Local Authority (Purchaser):** Renfrewshire Council. Renfrewshire House, Cotton Street, Paisley, PA1 1TT ('Council').
- 4. Purchaser's Solicitors:** Margaret Craig, Renfrewshire Council. Margaret.craig-cs@renfrewshire.gov.uk
- 5. Property:** Subject to any changes at paragraph 10 below, land (two parcels) part of subjects registered under title number **REN22000** and shown coloured pink on the attached plan(s) [copy to follow], being part of the Dargavel Village site.
- **Parcel 1** – site outlined on Dargavel Masterplan as **plot E1** (area 3.44 hectares; 8.5 acres);
 - **Parcel 2** – the westerly portion of (forming a broadly rectangle portion) site outlined on Dargavel Masterplan as part of **plot C1** area (area 0.6 hectares; 1.5 acres)
- 6. Purchase Price:** £1 (if asked) for each of Parcel 1 and Parcel 2 (for all land transferred as part of this agreement).
- 7. Transaction:** Transfer of the Property by way of missives and disposition.
- The Property shall be transferred to the Council at the Purchase Price for the purposes of constructing educational buildings and associated outdoor recreational uses. The use will be enforced by a title restriction which will last for 25 years;
- The transaction to allow for any surplus land within plots (not required for education purposes) to be offered back to BAE once detailed designs have been consented for each parcel;

8. Dates of Entry:

Parcel 1: 28 working days after BAE notify the Council of Completion of the Remediation Works (**Date of Entry Parcel 1**)

Parcel 2: As soon as possible but no later than 30 September 2023 (**Date of Entry Parcel 2**), giving the Council not less than twenty-eight days' notice of the Date of Entry Parcel 2; and

The Council will be responsible for all costs relating to their occupation including (but not limited to) non-domestic rates, utilities and insurance from the relevant Date of Entry. BAE will have no obligation to insure the Property.

9. Suspensive Conditions:

The missives shall be suspensively conditional upon the following conditions (inserted for the benefit of BAE):

1. the Council providing to BAE written confirmation from its Chief Planning Officer (in a form and to the satisfaction of BAE) that:
 - a. the maximum number of units for the development is 4,322;
2. the Council and BAE agreeing and/or acknowledging:
 - a. the process and timescale for amendments to the Dargavel Masterplan (including the additional education provision and amendment at residual land on part of plot C1 from commercial to residential);
 - b. amend S.75 in relation to Primary Healthcare Facility Option 4 to reflect BAE contribution of land plus £1m to NHS to deliver facility;
 - c. add new para 5.16 to existing S.75 to acknowledge land previously transferred by BAE to the Council for the provision of a children's nursery];
 - d. amend S.75 and Affordable Housing Strategy to reflect reduction of 93 social rented units in Stage 2 Affordable Housing provision;
 - e. amend para 11.2 of S.75 to change trigger for delivery of Second Phase Park & Ride Facility to "prior to 30 June 2024.."
3. before 31 August 2023, the Council shall deliver to BAE the Council's strategy for addressing local primary education (**'Primary Education Strategy'**), including all mitigation measures planned.
4. by 15 September 2023, the decision notices to be issued for Taylor Wimpey and Persimmon Homes current AMSC applications for Dargavel Village

10. Prior to missive conclusion: After the date of these Heads of Terms (if not before), BAE shall diligently use its reasonable endeavours to achieve the following:

- (i) confirm to the local authority the ground condition of the Property by supplying existing information from surveys and site investigations;
- (ii) satisfy the local authority on the landowner's title to the Property.

During the period when the Council is working on issues (i) –(ii), BAE and the Council shall seek to agree an offer to transfer the Property to reflect the Heads of Terms.

Once satisfied with (i)-(ii) BAE and Renfrewshire Council shall enter missives.

11. Remediation

BAE has remediated Parcel 2 to an appropriate standard in accordance with the Council approved Remediation Method Statement and received confirmation from the Council that the land contamination planning obligations have been discharged. Parcel 2 will be cleared of all existing arisings, waste material, vegetation and the site will be transferred clear and level to the Council.

BAE will remediate Parcel 1 to an appropriate standard in accordance with the Council approved Remediation Method Statement and seek confirmation from the Council that the land contamination planning obligations have been discharged.

BAE will provide a Remediation Warranty in respect of the remediation works. In turn and following Date of Entry, the Council will provide an environmental indemnity to BAE.

12. Letter of Reliance

A letter of Reliance will be provided relating to the environmental reports as follows:

13. Purchaser's Works

Parcel 1: Delivery of a new primary school for c.800 pupils as defined in the Primary Education Strategy by June 2027

14. Seller's Works

14.1

Seller's Works for Parcel 1

- (i) Remediation of the site as set out in the approved remediation method statement by [22 December 2024];
- (ii) Construction of the Western Link Road (Road Construction Consent Ref CC22-03) to base course including services not

covered elsewhere in these Heads of Terms with connection capable of being made live by [15th October 2025];

(iii) HV power connection to the site capable of being made live by [31st March 2026]; and

(iv) Surface water connection operational by [30th June 2025].

14.2

Seller's Works for Parcel 2

There are no Seller's Works for Parcel 2

15. Construction Access

15.1

Access to Parcel 1: for the purposes of undertaking the Purchaser's Works will be available from [20 December 2024], access shall be taken from the end of Craighton Drive adjacent to the site. It should be noted that the end of Craighton Drive is open to the public and will be used by adjacent housing developers for deliveries and their residents and also BAE's contractor for deliveries during the construction of the Western Link Road

15.2

Access to Parcel 2: for the purposes of undertaking the Purchaser's Works will be available as soon as possible but no later than 30 September 2023, access shall be taken from the footway cross over on Arrochar Drive of Craighton Drive. It should be noted that Arrochar Drive is open to the public and will be used by adjacent housing developers for deliveries and their residents and also BAE's contractor for deliveries during the construction of the Western Link Road.

16. Service Connections

16.1

Service Connections for Parcel 1: the following service connections will be available for Parcel 1 as single point of connections and the Council shall not exceed the following service capacities:

- (i) Power - HV point of connection to the site boundary with a maximum capacity of 710Kva;
- (ii) Gas - low pressure gas point of connection to the site with a maximum capacity of 880Kwh (peak demand);
- (iii) Water - 180mm barrier pipe to side, peak demand 1.1 litres / second;
- (iv) Surface water drainage maximum discharge criteria 1:30 return period [300] l/s 1:200 + climate change [350] l/s (Values approximate and TBC);
- (v) Foul water maximum peak daily discharge rate 3.7l/s average daily flow 30,500 litres/day; and

- (vi) Telecoms: BT and Virgin media ducting taken to the boundary of the site; the Council will be responsible for arranging connections.

16.2

Service Connections for Parcel 2: The following service connections will be available for Parcel 1 as single point of connections and the Council shall not exceed the following service capacities:

- (i) Power - LV point of connection to the site boundary with a maximum capacity of 120Kva;
- (ii) Gas - low pressure gas point of connection to the site with a maximum capacity of 1100Kwh (peak demand);
- (iii) Water - connection to 200mm ductile Iron main in adjacent footway to be made by the Council - peak demand 1.1 litres / second;
- (iv) Surface water drainage maximum discharge criteria 1:30 return period 75 l/s 1:200 + climate change 102 l/s;
- (v) Foul water maximum discharge 0.24l/s average daily 6,000 litres/day; and
- (vi) Telecoms: BT and Virgin media ducting taken to the boundary of the site; the Council will be responsible for arranging connections

17. Costs:

Each party to bear its own costs and expenses including Land and Buildings Transaction Tax (as applicable) in the case of the local authority.

18. Non-binding:

These Heads of Terms shall not have contractual effect.