

James Barr

REPORT AND VALUATION
CELTIC PLC / GLASGOW CITY COUNCIL

"STRATHY PARK", SILVERDALE STREET, GLASGOW

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5 September 2007

Dear Sir

REPORT AND VALUATION

CELTIC PLC / GLASGOW CITY COUNCIL

"STRATHY PARK", SILVERDALE STREET / KEMPOCK STREET, GLASGOW

We refer to your instructions dated 26 June 2007, to prepare an independent valuation of the above subjects on behalf of Celtic Plc and Glasgow City Council.

Introduction

We have pleasure in submitting our formal report incorporating our opinion as to the Market Value of the above subjects as at 30 June 2007.

We understand the purpose of this report is to assist the parties to determine a sales price for the land in question.

The site has been inspected on several occasions over the last three months, most recently on Wednesday 5 September 2007.

Assumptions & Caveats

This report is subject the assumptions and caveats as detailed in *Appendix 1* attached hereto.

Location

The subjects occupy a back lying location approximately 30 metres to the south east of Springfield Road and 40 metres south of London Road in the east end of Glasgow, approximately 2.5 miles to the east of the city centre.

A location plan is attached (*Appendix 2*).

The site is generally bounded on its north east side by a vacant site and the Begg, Couseland & Co Works; to the north east side by tenement flats and a bowling green; to the south east side by a pathway and the former Belvidere Hospital complex, presently being redeveloped for housing and on the south west side by a vacant site held pending the outcome of a decision regarding Glasgow's bid for the Commonwealth Games in 2014. Elsewhere there is a mix of residential / commercial uses with Celtic's Plc football ground approximately ¼ of a mile to the north west and Kier Homes undertaking a major new residential development in the grounds of the former Belvidere Hospital almost immediately to the east of the subjects of valuation.

Description

The subjects comprise a rectangular shaped site together with the solum of Williamson Street.

The site has, some time ago, been encapsulated by an earth bund presumably to prevent fly tipping. Otherwise the site is primarily flat scrub land with overgrown vegetation and naturalised trees / shrubs. Running along the south west side of the site there are overhead power lines and there is a pylon located within the south west corner.

Photographs of the site are enclosed (*Appendix 3*).

Site Area

We understand the site extends to approximately 5.58 acres (2.26 hectares) as indicated outlined red on the enclosed plan (*Appendix 4*).

Planning

We understand the site is identified for residential and supporting uses within the Draft City Plan 2, within the inner urban area with a less than base accessibility which would permit a density of development ranging from 30 dwellings to 100 dwellings per hectare.

Access

The question of access to the site has been subject to a separate study by JMP Consulting Traffic Engineers, an extract of which is enclosed with this report (*Appendix 5*). The cost to implement the anticipated road infrastructure works has been reflected in our valuation.

Abnormal Costs of Development

In accordance with our instructions, we have reflected in our valuation costs listed by URS, Consulting Engineers in their desktop report, dated October 2004, an extract of which is attached (*Appendix 6*). In order to avoid double counting with the costs provided by JMP Consulting Engineers, we have deleted the cost apportioned to access roads and junctions with existing roads. We have deleted £100,000 allocated for drainage attenuations as this item is standard for any new housing development and should not be computed as an abnormal cost. We have also used the median figure within the range of prices provided by URS. We have therefore allowed a figure of £4,000,000 for abnormal costs.

Overhead Power Lines

We enclose an extract (*Appendix 7*) of the Draft City Plan 2 which makes specific reference to this issue. We noted during our most recent inspection a new pylon has been erected to the south of this site in anticipation of the power lines within the site being removed.

Observations and Valuation

In arriving at our valuation we have considered a variety of sales figures and land transactions in the east end of Glasgow. However, we consider the sales prices being quoted in the adjoining Belvidere Village and the acquisition by Bellway Homes of the former Irn Bru factory site at Springfield

James Barr

Road, approximately a ¼ mile north of the subjects of valuation to be most directly relevant. We have also been provided on a confidential basis with the details of the sale of a site situated to the east of the Forge Market, bounded by East Wellington Street to the south, Shettleston Road to the north and Hart Street to the east, which is due to settle on 1 October 2007.

The Belvidere Village scheme lies immediately to the east of the subjects of valuation has a net developable area of 21 acres. Permission has been granted for 489 units comprising 245 flats plus two and three storey housing. The total sales area of this scheme is approximately 420,000 sq ft with current sales prices equivalent to £181 per sq ft for the flats and £180 per sq ft for the houses.

Bellway Homes acquired approximately 9 acres at Springfield Road / Janefield Street in June 2006 at a gross price of £7.5M equivalent to £875,000 per acre.

We understand the site at East Wellington Street is currently under offer at a price in the region of £1,150,000 per acre, although this site is better located and has a high density of development of just over 32 units per acre.

Having regard to the comparative evidence, applying appropriate weightings for location and taking cognisance of the strength of the housing market as at the date of valuation, we have applied a gross rate equivalent to £950,000 per net developable acre to the subject of valuation.

For the purpose of calculating the net developable area we have deducted the area occupied by the solum of Williamson Street.

We have reflected in our calculations allowances for non-frontage access road and an element of open space provision. In the absence of a finalised scheme for consideration we have adopted a net developable area

equivalent to 5.00 acres. This would provide a Greenfield value in the region of £4,750,000. After we have deducted £4,000,000 to deal with the abnormal costs of the development and £560,000 associated with the roads and access provision this would, in theory, provide an end value of £190,000. However, based on our experience selling similar sites, we are of the opinion if this site were openly marketed a prospective purchaser would take a commercial view with regard to the provisional costs provided by URS Consulting and JMP Consulting and speculate a bid of £500,000 for this site in the hope he would be able to "value engineer" some savings in the costs of the development when more detailed Site Investigations are undertaken or convince the Local Planning Authority a higher than normal density of residential development should be permitted for this site or develop part of the site for a supporting use such as a nursing home, thereby reducing the need for piled foundations / site remediation in order to improve the commercial viability of the site.

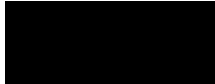
Having regard to the foregoing, we are of the opinion that the Market Value of the subjects, as at the date of valuation can be fairly stated in the sum of £500,000 (Five Hundred Thousand Pounds).

This report is confidential to the parties in which it is supplied and we expressly disclaim liability to third parties.

Yours faithfully
For and on behalf of James Barr



Direct Dial:
Mobile:
E-mail:



Enc

APPENDIX 1

TERMS AND CONDITIONS OF VALUATION
FOR LAND AND BUILDINGS

1 BASIS OF VALUATION

Unless otherwise specified, our Valuation is on the basis of Market Value (MV) of each property as defined in the Appraisal and Valuation Standards issued by the Royal Institution of Chartered Surveyors.

MARKET VALUE

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

2 SERVICE TENANCIES

Where properties are occupied under service tenancies we have assumed vacant possession can be obtained.

3 EXISTING USE VALUE

When valuing for financial statements property which is occupied for the purpose of a business, our valuation is on the basis of Existing Use Value (EUV) of each property. EUV is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost".

4 DEPRECIATED REPLACEMENT COSTS

Where there is no available market evidence to assess Existing Use Value of a particular property due to the degree of specialisation, layout, size, location or other factors, we have prepared our Valuation on the basis of Depreciated Replacement Cost (DRC). This basis assumes that the profitability of the occupying company is adequate when related to the total value of the company's assets, valued on this basis.

"DRC is based on an estimate of the Market Value for the existing use of the land, plus the current gross replacement (reproduction) costs of the improvements, less allowances for physical deterioration and all relevant forms of obsolescence and optimisation".

The availability of grants from government, European or other sources, is not reflected in our DRC based valuations. It is for the directors of the company, following discussions with their accountants, to assess whether any appropriate adjustment is required to our valuation.

5 MARKET RENT

Unless varied by the specific observations and comments made in our report Market Rent (MR) is defined as:

"The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

6 SITE VALUES

Where appropriate the cleared site values given on heritable or leasehold properties are an apportionment of the value of the whole property between the buildings, (depreciable element), and the land (non-depreciable element).

7 ECONOMIC LIFE

Where instructed, the remaining economic life of the buildings at each property has been estimated and this is specified for heritable properties and, where it is less than the unexpired term of the lease, for leasehold properties.

8 TENURE AND TITLE DEEDS

Unless otherwise stated our Valuation is based upon the detailed inspection of each property together with certain information supplied to us by the Client as to the details of tenure, tenancies, floor plans, etc., but additional enquiries may have been made where thought necessary.

No Searches have been undertaken and except where specified in our Valuation we are not aware of the Client's interest in a property being subject to any servitudes, wayleaves, undertakings or real burdens of an onerous or prejudicial nature, nor to any other rights, obligations or liabilities whether arising under statute, common law, any relevant lease or the relevant title deeds. We have assumed that any feu duties or ground burdens have either been redeemed or are of nominal value.

9 COVENANT

Where Leases apply, we have not undertaken research into the strength of covenant offered by the tenants but have assumed that the financial standing of each tenant is satisfactory unless we specifically know otherwise.

10 TOWN PLANNING

We have made no verbal or written enquiries of relevant Planning or other Statutory Authorities. Unless otherwise stated in our Valuations, we have assumed that the buildings have been constructed in accordance with valid Planning Consents and Building Regulation approvals to the full satisfaction of any relevant Planning or other Statutory Authority and that there are no outstanding Statutory or other notices in connection with any property in respect of its present or intended use. We have further assumed that any relevant Planning Consents do not contain restrictions which may adversely affect the value of any property.

In terms of the Disability Discrimination Act 1995 obligations are imposed on landlords, tenants and owner occupiers to make reasonable adjustments to physical aspects of properties which can be viewed as not accommodating disabled persons. Unless otherwise advised to us we have proceeded on the assumption that there is no requirement to commit to expenditure in this respect.

11 CONDITION OF BUILDINGS

We have not carried out structural surveys or tested services, nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such part is free from defect.

Without the advice of Consulting Engineers we are unable to express an opinion as to the permissible imposed floor loadings.

We have had regard to the repair of the property in preparing our Report. However, any comments concerning structures, services and condition are merely a general indication of the standard of building.

Our report excludes any investigation into the structural engineering design of the property or its components or the unsuitable use of high alumina cement, calcium chloride concrete additives, calcium silicate brickwork, calcium sulphate reaction in concrete, cavity wall tie failure, Radon gas seepage, wood wool slabs, asbestos, PCBP's, composite wall and roof panels or other materials considered as deleterious in construction, except insofar as these matters may be revealed in the normal course of inspecting the property. We are therefore unable to confirm that each property is free from risk in this respect. For the purpose of this Valuation Report we have assumed that any such investigations would not disclose the presence of any such material in any adverse conditions, unless otherwise stated. It is further assumed that all appropriate investigations have been undertaken in accordance with The Control of Asbestos Regulations 2006 to identify the presence of asbestos containing material within the property and relevant information in this respect has been made available to us. In the absence of such details being provided we have proceeded on the assumption that the property has no asbestos containing material present.

12 COSTS, TAXES AND MARKETING

Our Valuation does not include any allowance for any liability to Capital Gains Tax, Value Added Tax or for expenses of realisation. We have also assumed an adequate period for marketing, prior to the date of valuation, and that any marketing programme will have due consideration to market saturation where a number of properties are situated in close proximity to each other.

13 MEASUREMENTS

All dimensions have been taken in accordance with the Royal Institution of Chartered Surveyors' Code of Measuring Practice. Nevertheless, all areas should be treated as approximate. Site areas have been scaled from plans provided or calculated from measurements taken on site.

14 CONTAMINATION AND ENVIRONMENTAL MATTERS

Mining and geological investigation reports have not been undertaken nor have any such reports been inspected. Unless otherwise stated in our Report, we have proceeded on the clear understanding that all land is capable of development at a reasonable cost for the use, for which it is zoned, or any alternative use.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigations into past or present uses, either of the property or of any neighbouring land, to establish whether there is any potential for contamination to the subject property from these uses or sites, and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported.

We have not carried out a flood risk assessment of the subjects and the surrounding area. Where available, we have made reference to basic floodplain maps published by the Scottish Environmental Protection Agency in Scotland and The Environment Agency in England and Wales. These maps provide an overview of areas at risk from flood but do not give accurate estimates for specific areas/properties and should therefore not be relied upon for property enquiry purposes. If more specific guidance on flood risk is required, a detailed assessment should be commissioned from a suitably qualified source.

15 EXTENSIONS AND BUILDING WORKS

Unless otherwise stated in the report, where new buildings are being erected or significant extensions made to properties, we have excluded all building work in progress. We suggest that upon completion, where new works are involved, each property should be revalued.

16 FIXTURES AND FITTINGS

Certain items of plant and machinery are included in our Valuation. These items may constitute Landlord's fixtures and may include, without limitation, heating, air-conditioning, mains services, lifts and gantries. Generally speaking, plant and machinery forming part of the building services installations are normally included in valuations of land and buildings. Process plant, machinery and equipment which may have been installed wholly in connection with the industrial or commercial processes, together with furniture and furnishings, tenants fixtures and fittings, vehicles, moulds and loose tools are excluded from the valuation of land and buildings.

17 REPRODUCTION AND USE

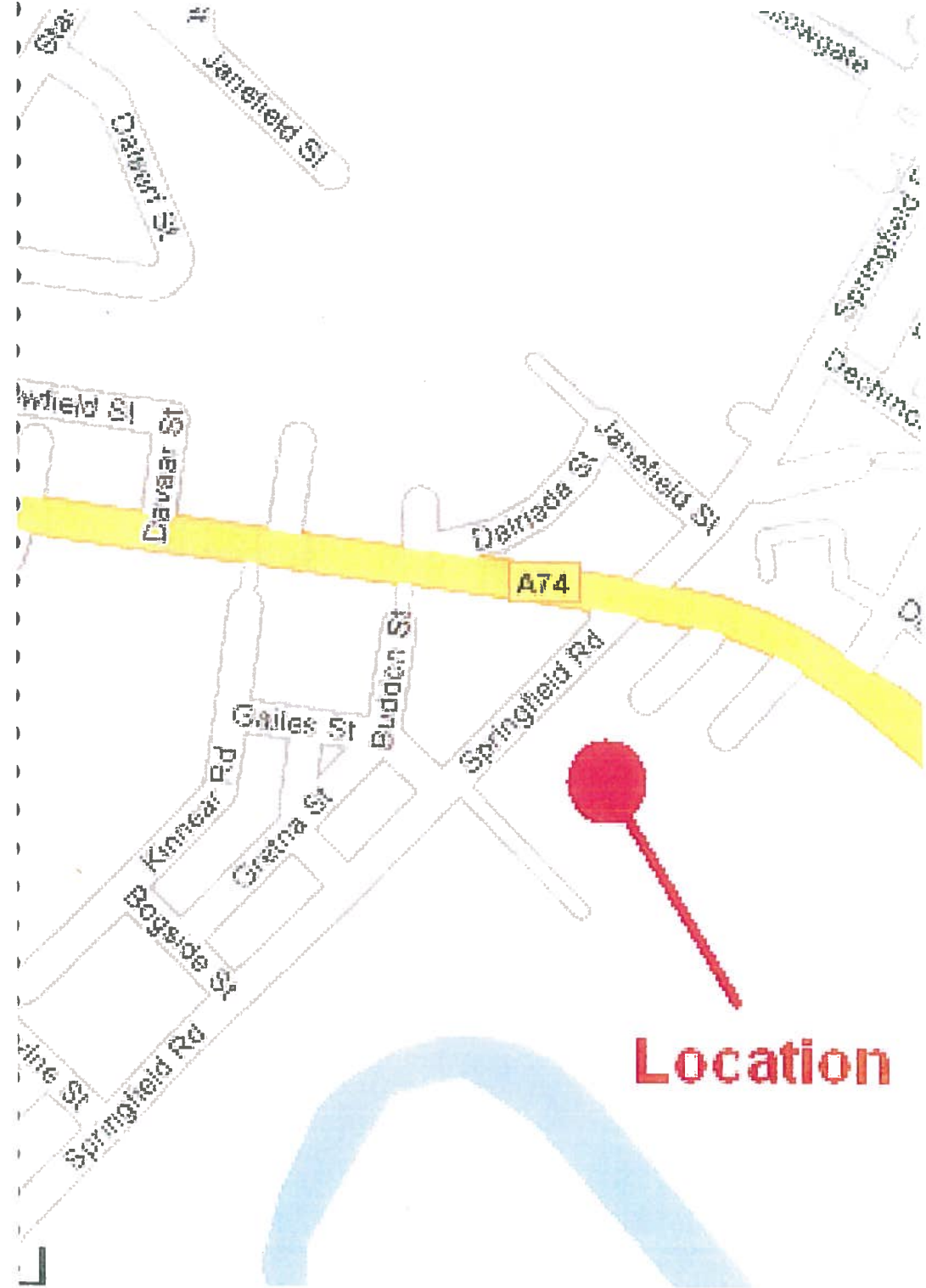
Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any published document, circular or statement, certificate, nor published in any way without the written approval of the valuer, which approval may, at the discretion of the valuer, include conditions as to the form and context in which it may appear.

This Report is for the use only of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared. It may be disclosed to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party including such other professional advisors for the whole or any part of its contents.

18 THIRD PARTY CONSULTANTS

In the circumstance of third party consultants being appointed through the Company on the authority of the Client, all invoices received from such third parties will be met by the Client within the period stipulated in said invoices.

APPENDIX 2

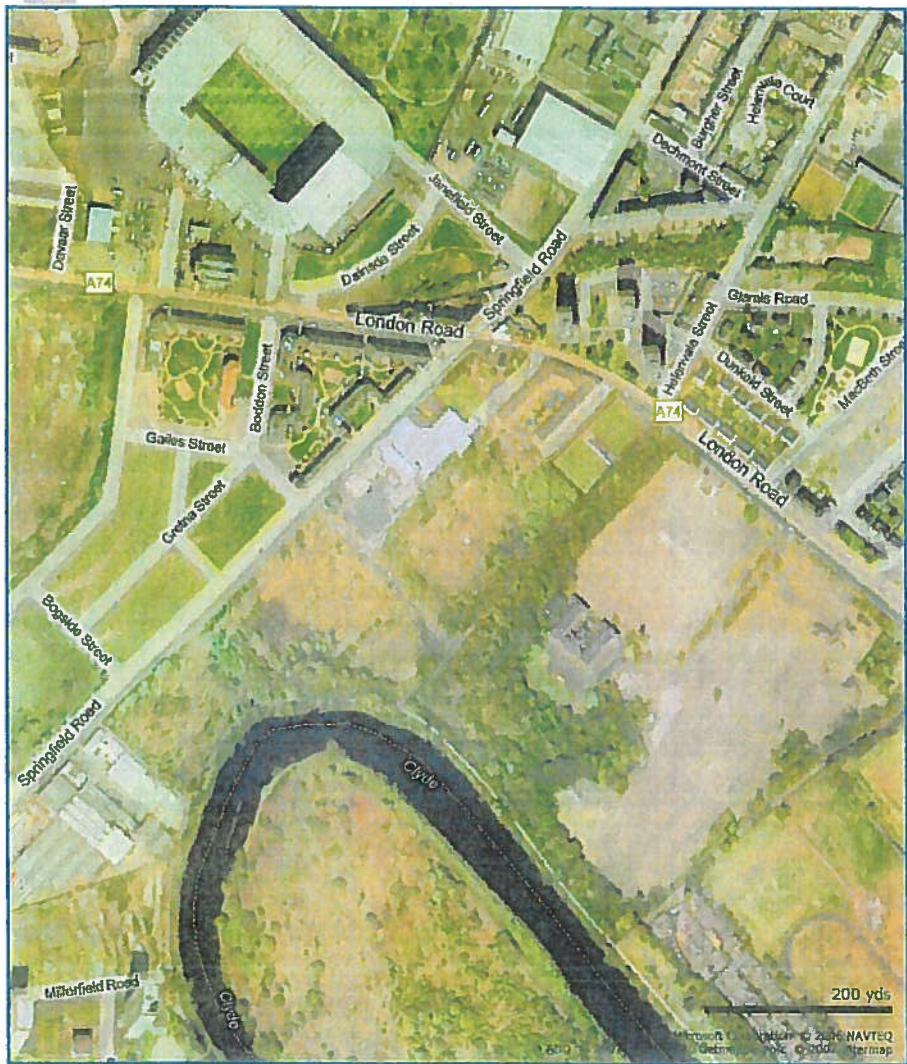


Location

APPENDIX 3



Live Search



[Srtathy Park , Springfield Road]

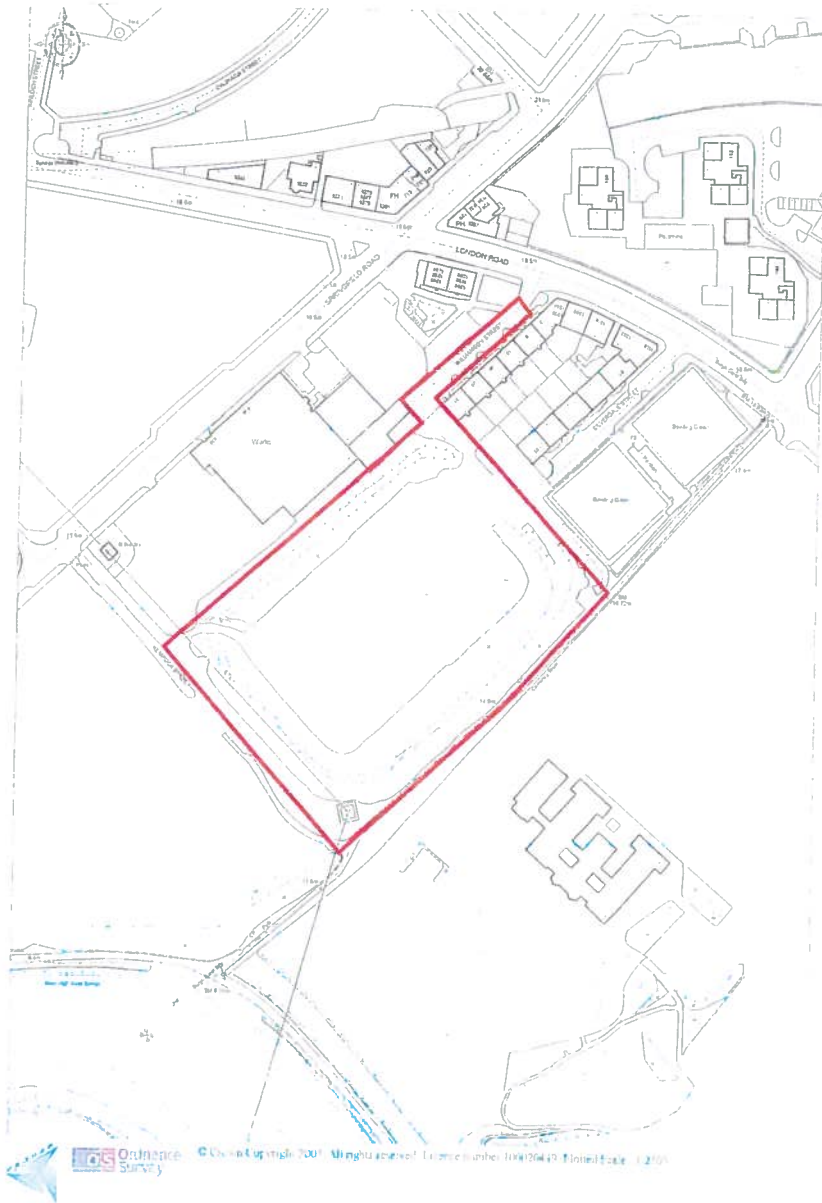






APPENDIX 4

Site at Silverdale Street, Glasgow extending to 5.58 Acres (2.26 Hectares)



APPENDIX 5

8 Conclusions

8.1 JMP Consulting (JMP) has been commissioned by James Barr to undertake a transport appraisal of a site located in the Parkhead area of Glasgow. The appraisal has been carried out on the basis that a maximum of 250 residential units will be provided.

8.2 A site visit was carried out on Thursday 19th July which was used to identify the main constraints and opportunities towards providing access to the site by all modes of transport.

8.3 Discussions were undertaken with GCC Land Services to identify the initial requirements of the site, specifically vehicular access.

8.4 The report has demonstrated that the site is well located to take advantage of the existing walking, cycling and public transport provision. To further promote access by sustainable modes of transport, the following measures are recommended:

Pedestrians

- Provide an internal network of footways that are a minimum of 2m wide;
- Direct pedestrian / cyclist link to Silverdale Street; and
- Footways on both sides of the access to Springfield Road.

Cyclists

Covered and secure cycle parking within the development; and
Traffic calming should be provided to reduce vehicle speeds and provide a safer environment.

Public Transport

- Possibly relocate the existing southbound bus stop to outwith the visibility of the access;
- Upgrade of existing bus stops on Springfield Road adjacent to the site; and
- Information on public transport as part of a "Welcome Pack".

8.5 Consideration would have to be given to providing improvements to London Road / Springfield Road junction. It is likely that the developer would have to agree to a Section 75 contribution.

8.6 Vehicle access to the development would be taken solely from Kepoch Street via Springfield Road by means of a simple priority controlled junction and GCC Land Services have confirmed that they are happy with this in principle. It is also understood that Kepoch Street is an adopted public road and can therefore be upgraded without the need to acquire 3rd party land. This access arrangement would be dependent on stopping up the existing Gailes Street/Springfield Road junction. It is noted that Gailes Street currently leads to a derelict site which is owned by GCC. We understand that the site is zoned for residential development but no firm proposals for development exist at this time.

8.7 The total cost for the scheme would be approximately £560,000 and has considered both internal works and off-site improvements.

8.8

The report concludes that, while further detailed analysis including a Transport Assessment would be required to satisfy the requirements of GCC, JMP would consider that a residential development could be accommodated on this site.

APPENDIX 6

Our Ref: [Redacted]
 Your Ref: [Redacted]

By Fax and Post

15 October 2004

[Redacted]
 Montagu Evans
 Chartered Surveyors
 302 St Vincent Street
 GLASGOW
 G2 5RU



Dear [Redacted]

Re: Celtic PLC
 Potential Housing Site, Springfield Road, Glasgow
 Ground Conditions:

Further to your letter of 8 October 2004 we have reviewed the information we have available on the above site and are pleased to advise as follows. Our summary has recognised our in-house information including various reports held by Glasgow City Council archive.

The site is located at approximately 15m above ordnance datum (AOD) at Kempock Street (Springfield Road) in the Dalmarnock area of Glasgow. Information regarding the exact location of the site is as follows:

Site Name:	Kempock Street (Springfield Road)
Council:	City of Glasgow
Grid Reference:	NS 622 637
Approximate Area:	2.5 hectares
Current Address:	Kempock Street, Glasgow

The site currently comprises a rectangular area of open ground with a continuous embankment present around the edge. A quantity of rubble was observed at the north eastern end of the site. Areas of fly-tipping are also evident within the site.

Historical maps show that the site was occupied by a clay pit and a football ground. The clay pit excavation is likely to have been infilled prior to the presence of the football ground. Adjacent historical uses include a wire works, brick works and other heavy industries, which may have been a source of fill material.

Geological maps also show part of the site to be underlain by fill with the main drift material shown as clay and silt. Solid geology consists of strata of Lower and Middle Coal Measures. Shallow mine workings have been encountered beneath the site.



The made ground beneath the site may be a source of contamination and potentially landfill gas, and shallow mining may be a source of mine gas.

Historical maps show the site as agricultural land until 1894. Thereafter the site is shown as open ground with embankment markings and subsequently as an old clay pit (1910). From 1954 the site is shown as a football ground and subsequently as Springfield Park. From 1980 the site is shown as open ground with embankments around the site boundary.

Significant industrial activities have taken place in the vicinity of the site since 1864. These include:

- A coal pit 100m north;
- Springfield Wire Works adjacent to the north-west;
- Springfield Print and Dye Works, 450m to the south-west;
- Mauldale Brick Works, adjacent to the south west;
- Springfield Steel Foundry located 100m to the north;
- A soap works, 200m to the south-west;

Site investigations have been undertaken previously and made ground was encountered in all excavations to depths of up to 9.0m, containing ash and slag fill and various other debris. Groundwater was encountered at depths ranging from 8.2m to 9.0m below ground level.

The main soil types encountered can be summarised as follows:

- Made Ground was encountered in every trial pit and borehole. The made ground consisted mainly of ash and slag fill with some wood, bricks, stones, clay and other debris. Depth of made ground extends down to approximately 9m across the site.
- Glacial Till consisting of gravel and sandy clay was encountered beneath made ground at depths of between 7.0m and 8.2m respectively below ground level. Water ingress in places prevented excavation to natural drift deposits.

It was noted that vegetation cover was evident over most parts of the investigation area. However, certain areas across the site were poorly vegetated, possibly indicating phytotoxic stress.

Groundwater was encountered in all boreholes. Rest water levels ranged between 6.6m and 7.94m below ground level, although water ingress was generally noted at depths between 8.2m and 9.0m below ground level during drilling.

Elevated levels of the phytotoxic substances copper, nickel, zinc and toluene extractable matter (identified as mineral oil, coal tar and PAH) occurred in the fill across the site. Levels of other contaminants were generally low. One groundwater sample revealed slightly elevated ammonia and mercury concentrations.

Gas monitoring detected elevated carbon dioxide levels and low oxygen levels across the site. Methane was not encountered above detection limits.

The investigation identified contamination issues that significantly impact on the proposed development at the site, particularly in terms of its proposed development for housing and for soft landscaping.

Development of the site will involve considerable input to what could be described as 'abnormal' works to those on a greenfield development site.

Assessments can be made as to the extent of these 'abnormals' but you will appreciate that at this stage there is little information available on the site and it will be necessary therefore to carry out further site investigation works before any abnormal works and associated costs can be more definitive. The following report on the extent of abnormal and associated costs must be read and understood to be given on that basis.

The site is underlain by shallow mine workings to the Main Coal Seam and treatment of this worked seam adopting cement : PFA grout injection techniques will be necessary. The workings affect the northern and southern portions of the site given the fault running NW/SE direction across the site.

If development is to be taken to the boundaries of the site, treatment of the mineral workings a distance beyond the site boundary will be necessary – this can be accommodated by adopting raking boreholes from within the site if access to area outwith the site boundaries cannot be obtained.

It is expected that there will be contamination on the site which will require to be dealt with by removal off site and by capping using inert clay material. It is expected that in areas of building development, roads, hardstandings etc. capping will not be necessary, but capping layers up to 1m thick will be expected in garden and soft landscape areas. Gas generation arising from the fill material over the site is likely and gas protection measures below buildings will be necessary together with venting in capped open areas.

Owing to the ground conditions prevailing on the site special foundation works will be required to all structures. Ground treatment to accommodate low rise buildings will be required but for buildings greater than 3 storeys piled foundations are anticipated.

Given our experience on other sites in the area, attenuation of drainage is a likely requirement of the Drainage Authority and this will require to be accommodated within the site area.

Access/egress to the site is severely restricted and formation of new access roads probably with traffic light junctions at existing main roads may be anticipated. Adopted roads will require capping layers given the extent of made ground overlying the site. It is taken that land will be available to locate the access roads. We have examined the transport/access issues and a copy of our desk study report on these issues is enclosed.

There is little information on services available to assess if they can accommodate the development requirements but it could be anticipated given the site location and previous developments in the area that service connections will be available relatively close to the site.

The costs associated with the abnormal works are difficult to estimate given the status of information at this time and for this reason the estimate costs given below offer a range of costs.

Abnormal Work Discipline	Estimated costs	
General site clearance	£50,000	
Consolidation of mineral workings	£900,000	£1,200,000
Dealing with contamination:		
Removal	£500,000	£1,000,000
Capping layer/muck layer	£350,000	£400,000
Gas protection	£100,000	£130,000
Special foundations:		
Ground treatment	£500,000	£700,000
Piled foundations		
Access roads and junctions with existing roads	£250,000	
Drainage attenuation	£100,000	
Utilities provision	Assumed services are available in area	
	£2,750,000	£3,830,000
Preliminaries 15%	£400,000	£500,000
	£3,150,000	£4,330,000
Contingencies	£150,000	£270,000
	£3,300,000	£4,600,000
Professional Fees on abnormal works	£330,000	£460,000
	£3,630,000	£5,060,000
Say	£3,600,000	£5,100,000

The above costs have assumed the following -

- 1 Housing density 35% of site area
Roads and hardstandings 35% of site area
Soft landscape 30% of site area
- 2 40% housing is > 3 storey buildings
60% housing is 2 storey buildings
- 3 Land for construction of the access roads will be available
- 4 Prices are based on rates ruling at 10 October 2004

The above costs exclude:

- Value added tax.
- Land acquisition
- Site investigation/topographic survey costs
- Fees for planning/building control or any other statutory fees due in respect of the development.
- Inflation costs from 10 October 2004

You will note the estimate of abnormal costs associated with development has been assessed at between £3,600,000 and £5,100,000 and the basis on which these costs have been calculated.

A more accurate assessment will not be possible until further investigation of the site has been undertaken and information on the proposed development layout is available.

We appreciate that the costs given above are likely to be greater than expected and do not favour the site as a developable site but we would hope intrusive investigation would indicate that the prevailing contamination conditions are not as severe as have been assessed and that workings to the coal seams have not been extensive as allowed in the costs given the extent of rock strata faulting in the area.

These are the two major abnormal work item costs and if the extent of such works is found to be less than anticipated significant reduction to the above estimates could be achieved.

Consideration should also be given to increasing the housing density with high rise properties as it is understood Glasgow City Council may favour a relatively dense layout which would reduce the unit cost of the development.

We trust all of the above meets with your present requirements and enable you to progress your discussions and should you wish to discuss any matters arising we would be pleased to do so.

Yours faithfully
URS Corporation Ltd



APPENDIX 7

7.143 The Parkhead TCAP will require to take cognisance of the Parkhead Townscape Heritage Initiative proposals, focus on 'strategic' town centre issues including land uses, urban design, transport accessibility and traffic congestion, and aim to meet recognised standards of accessibility, by:

- supporting and encouraging mixed use development with more town centre residential development;
- moving towards a 'street shopping' experience and away from a 'mall' type centre;
- promoting initiatives which will improve local leisure and evening economy activity;
- supporting the development of "Parkhead Street Markets" on Duke Street;
- promoting multi-storey car parks, a Town Centre wide pavements scheme and an improved public realm;
- considering the long term redevelopment (mixed use) of Parkhead town centre car parks to provide a wide range of town centre facilities, improved access and urban design;
- reviewing the land use and property needs of Parkhead Cross, to ensure a continued focus for improved community needs, including "one stop shop" services;
- promoting improved public transport, walking and cycling facilities, and introducing a town centre traffic and bus management scheme;
- developing a business and Parkhead town centre promotion campaign; and
- supporting sustainable development.

The City Council will prepare a TCAP for Parkhead Cross, a planning study of Bridgeton Cross, and will consider the need for TCAPs for other East End Centres.

EDUCATION

7.144 John Wheatley College is developing a new further education campus at Haghill. The expected increase in the area's population will put pressure on the existing educational infrastructure and the implications will require to be considered by the Council. The pre-12 schools programme will deliver new pre-12 provision (see EDUCATION, paragraphs 6.182-6.184) at Dalmarnock.

The City Council will give consideration to the need for new educational infrastructure that may be required to support the long-term regeneration of the area.

CULTURAL AND SPORTING FACILITIES

7.145 The Council is developing a National Indoor Sports Arena at Dalmarnock with funding committed from the Council, the Scottish Executive and sportscotland. The Arena will provide an international standard indoor arena as well as a separate velodrome and hotel. The complex will also serve as a new headquarters for sportscotland.

7.146 Celtic Football Club is a major investor in the area, but there is a long-standing problem of congestion caused by visitor parking and general accessibility to the stadium. In the context

of the new Arena and the development of the EERR, the Council will examine options for resolution of these issues.

The City Council, in conjunction with the Scottish Executive will develop the National Indoor Sports Arena and work with Celtic plc to improve the traffic management around the two stadia.

7.147 Glasgow will also host the Commonwealth Games 2014, should the bid to bring the Games to Scotland succeed. A site in Dalmarnock has been earmarked for the development of an athlete's village which would see the development of 1,500 new homes (the site is directly adjacent to the proposed National Indoor Sports Arena and National Velodrome) which would allow competitors to walk to two of the biggest venues. Once the Games are over, they would be made available for private sale and social housing, helping to transform and bolster the local community (see CULTURE AND RECREATION, paragraph 6.211).

OVERHEAD POWER LINES

7.148 In order to increase the market attractiveness of industrial areas for new housing and remove development constraints on vacant and derelict sites, the Council will seek opportunities to remove overhead power lines, where feasible. To this end, the Council and Scottish Power have agreed to remove the overhead lines between Carnoustie station and a site at Kempock Street, south of Lord Street and east of Springfield Road. Scottish Power has also agreed to look at the feasibility of removing the other overhead lines and pylons from Kempock Street to the Dalmarnock 27 station south of the River.

The City Council will:

- continue to work with Scottish Power to investigate options for mitigating the impact of electricity pylons in the area, including removal and undergrounding where feasible.