

# Asset Value Realisation Glasgow City Council Car Parks

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"With the current constraints on public sector budgets it is more important than ever for public authorities to extract the maximum value from their assets. Managed in the right way this can provide an effective route to generating additional income for key services."

**Phillip Woolley**  
**Government & Infrastructure Advisory Partner**  
**Grant Thornton**

City Parking (Glasgow) LLP is a wholly owned subsidiary of Glasgow City Council (GCC). The company was established in 2007 when it acquired a lease from GCC to operate and develop the off street car parking infrastructure previously managed by the council. The portfolio of parking assets comprises a mix of multi-storey and surface car parking facilities totalling approximately 3,000 car parking spaces.

Grant Thornton worked closely with the company's management team and the council to ensure an optimal solution for both the council and the LLP. A key role undertaken by Grant Thornton was sourcing and negotiating commercial funding for the company, including exploring the implication for the funding of a council guarantee being provided. In addition to the core financial analysis and negotiations with the lender, our tax team advised on the VAT implications, particularly in relation to the partial exemption calculation, and Stamp Duty issues regarding the transfer of leases to the company.

One of the key drivers behind this project was to allow the council to realise a capital receipt from its non-core assets for investment in both the parking infrastructure itself and also to maintain investment in key council priority projects. In addition, the autonomous LLP structure offered greater potential to operate on a more commercial and customer focussed footing, developing a range of complementary services which better meet customer demands and expectations.

The council retains the freehold assets and therefore a long-term benefit and potentially enhanced future return on this element of its asset base.

## Key benefits

- Experience gained from advising on similar structures both from the perspective of a public sector client and private sector bidder.
- Expertise in financial modelling, accounting and tax issues to assess the viability of forming a SPV to deliver regeneration.
- Commercial insight and advice on potential sources of funding such as third party senior debt, private sector partner corporate resources, tax increment funding and prudential borrowing.
- Early engagement with the private sector to assess appetite for the scheme.

## Further information

For further information, please visit our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), or contact:

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