

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	7 February 2024
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Lease of Proposed Development - Lanark Community Workshop at Lanark Racecourse
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise on action taken, in terms of Standing Order No 37(c) because of the timescales involved, by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member to approve the granting of a lease of the proposed Lanark Community Workshop at Lanark Racecourse to Lanark Lanimer Committee

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the following action taken, in terms of Standing Order No 37(c), by the Executive Director (Housing and Technical Resources), in consultation with the Chair and an ex officio member, be noted; and
- (2) that the authority granted to the Executive Director (Housing and Technical Resources), in conjunction with the Head of Administration and Legal Services, to conclude matters and to enter into the necessary legal agreements in terms of the principal conditions contained in Section 4.6 of this report and terms which are in the best interests of the Council, be noted.

3. Background

- 3.1. In October 2015, South Lanarkshire Council applied to the Scottish Government's Regional Capital Grant Fund (RCGF) to support the development of a Clydesdale Rural Development Centre in Lanark. The Council received the formal offer of grant on 19 May 2016 for £1 million against a project cost of £2 million, the remaining funds coming from other grants.
- 3.2. The project that was submitted followed a community consultation, market appraisal and preparation of a detailed feasibility plan working with organisations including Lanark Lanimer Committee, a potential tenant for the community facilities portion of the project.
- 3.3. During 2016, negotiations to purchase the original identified site, the former Alston's Yard, reached an impasse and the project could not be delivered at this location. Other locations were also considered, however, again these could not be delivered. Consequently, there was a need to explore other options and identify an alternative site to fulfil the intention of the grant and deliver a workable project for the town.

- 3.4. An opportunity at the Racecourse, on the site of a demolished building has been identified as the best solution. This opportunity has been discussed with the Scottish Government who has confirmed it is content for the project to be progressed. Discussions have also taken place with community representatives and potential occupiers who have all indicated their support, in principle, for the revised project.

4. Proposals

- 4.1. The Scottish Government has recently confirmed its agreement to the Council, in a revised offer, to deliver the Community Workshop. The site, part of the Common Good, comprising the footprint of a former stable block, currently a concrete pad, soft landscaping and car parking area, is of sufficient size to accommodate the building to be constructed. Planning consent has been obtained, reference P-23-0015.

- 4.2. The change of site and the scale of investment has changed and therefore, the revised project outputs are now:-

- ◆ 500m² of storage space for Lanark Lanimer Committee
- ◆ 500m² of brown field land redeveloped

Community and Enterprise Resources (Enterprise and Sustainable Development Services) advise that progressing the project on the above terms will deliver these objectives.

- 4.3. The community benefit from the Lanark Lanimer Project was assessed as if under the Community Asset Transfer process and qualifies for a 77% discount to the market value (rental). Prior to committing to the construction of the new building, negotiations have been ongoing to agree the terms of occupation with Lanark Lanimer Committee. Although this is not a Community Asset Transfer, the Lanark Lanimer Committee asked that the Council takes into account the role it plays within the local community and the community benefits when setting the rent.

- 4.4. The market value of the building, when complete, would be £16,000 per annum. At a 77% discount, the rental would be £3,680 per annum.

- 4.5. In addition, in return for the fit out of the building being completed at the Lanark Lanimer Committee's expense, a 5 year rent-free period has been requested.

- 4.6. The proposed principle lease terms for the lease to the Lanark Lanimer Committee are:-

1. Premises - the completed building to be constructed at Lanark Racecourse in accordance with planning reference P-23-0015
2. Repairs - the tenants to be responsible for repairs
3. Insurance - the Council will insure premises with premium recoverable from the tenants
4. Rent – £3,680 per annum (exclusive of VAT)
5. the rent to be fixed at £1 per annum for the first 5 years
6. Rent reviews – rent to be reviewed to 23% of market rental after first 5 years and by RPI 5 yearly thereafter
6. the tenants to be responsible for all rates and utility charges
7. Use – industrial/storage
8. Term - 20 years
9. break options to be agreed
10. date of entry to be agreed

11. Costs - each party responsible for their own legal costs
12. alienation/assignation is permitted only to a similar organisation with similar objectives subject to landlord consent

5. Employee Implications

- 5.1. There are no employee implications.

6 Financial Implications

- 6.1. The site is held in the Lanark Common Good account. The premises, once constructed and let, will be added of the assets of the Common Good account.
- 6.2. If the workshop is vacated, it would be relet on commercial terms, however, the Lanark Common Good Fund would be liable for any costs associated with any vacant property until the new lease was in place. As these buildings are being built with the intention of these being leased out, a financial liability to the Common Good would only arise should these tenants leave. Therefore, at this point, there should be no financial implications for the Common Good.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8. Other Implications

- 8.1. Planning consent has been granted for the proposed development. Statutory consultation on the change of use for Common Good has also been undertaken.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore, no Equality Impact Assessment is required.
- 9.2. Consultation under the Community Empowerment (Scotland) Act 2015 has been undertaken regarding use of Common Good assets.

Stephen Gibson

Executive Director (Housing and Technical Resources)

6 December 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Good quality, suitable and sustainable places to live
- ◆ Caring, connected, sustainable communities
- ◆ People live the healthiest lives possible

Previous References

- ◆ Community and Enterprise Resources Committee - 9 August 2022 Scottish Government Regeneration Capital Grant Fund Proposal to Create a Rural Development Centre at Lanark Racecourse.

List of Background Papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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