

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	24 April 2024
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Former Walston Primary School, Elsrickle – Asset Transfer to Biggar and District Men’s Shed
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise Committee of the request for asset transfer, by sale, of the former Walston Primary School at Elsrickle to Biggar and District Men’s Shed and seek approval to the principal terms and conditions of asset transfer as set out in Section 5 of the report

2. Recommendation(s)

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

- (1) that the former Walston Primary School be sold to Biggar and District Men’s Shed subject to the terms and conditions outlined in Section 5 of the report; and
- (2) that the Executive Director (Housing and Technical Resources), in conjunction with the Head of Administration and Legal Services, be authorised to conclude all matters in respect of the sale and enter into the necessary legal agreements on terms which are in the best interests of the Council.

3. Background

- 3.1. At its meeting on 29 September 2021, the Housing and Technical Resources Committee approved the lease of the former Walston Primary School to Biggar and District Men’s Shed.
- 3.2. The Biggar and District Men’s Shed has been in occupation since the 10 year lease commenced on 22 October 2021. The terms of the lease being full repairing and insuring, a rental of £2,100 per annum, representing a 65% discount on market value to reflect community benefits, and a rent-free period of a year to enable the Men’s Shed to become established in its new premises. Biggar and District Men’s Shed subsequently requested and was granted an additional 1 year rent free to take account of the increasing revenue costs and their work to increase their membership.
- 3.3. Although the lease still has over 7 years to run, Biggar and District Men’s Shed is now seeking to purchase the property outright and submitted a formal request for Community Asset Transfer, the validation date for which was 30 November 2023.
- 3.4. The application and supporting documentation was placed on the Council’s Planning Portal. The closing date for responses was 11 January 2024, at which time one neutral representation was received.

- 3.5. The request was placed before the Community Asset Transfer Assessment Panel on 27 February 2024 when the following matters were taken into consideration.
- 3.6. Property
- 3.6.1. The extent of the property requested, is shown on the attached plan.
- 3.6.2. The Council registered its title in 2013 and this should now be the subject of warranty by the Registers of Scotland, however, this will require to be verified and potentially require an insurance to be obtained as part of the transaction.
- 3.6.3. Since taking on the lease, Biggar and District Men's Shed has carried out a number of repairs including rewiring the property, replacing the windows and doors, installing a log burner and creating a disabled access to the property. A polytunnel has been installed on the grounds. It has also commissioned a condition survey report which indicates that investment in the region of £224,500 is required to bring the property up to modern standards.
- 3.6.5. The property was valued by the District Valuer in 2021 at £80,000. The in-house valuer has confirmed that this figure remains appropriate and reflects current market conditions.
- 3.7. Organisation
- 3.7.1. Biggar and District Men's Shed is a Scottish Charitable Incorporated Organisation (SCIO), Scottish Charity No. SC049102. The organisation has now been established for 5 years.
- 3.7.2. The purpose of the organisation is to provide recreational facilities and advance the social needs, health and wellbeing of men of all ages and backgrounds living in the Biggar and surrounding areas.
- 3.7.3. The organisation membership has increased from 21 at the beginning of the lease to over 50 members.
- 3.7.4. There are strong connections with other community groups in the area, the support of a national Men's Shed organisation and the Trustees have a range of skills and experience.
- 3.7.5. In terms of the organisation's financial position, accounts show a small surplus, however this reflects the rent-free arrangement and an external grant towards energy costs. The organisation's viability remains vulnerable and there is still some way to go to become financially sustainable.
- 3.7.6. Biggar and District Men's Shed is due to pay rent from 23 October 2023 however have requested that a further continuation of the rent-free period be allowed. This has not been agreed to date and consideration of the request has been overtaken by the asset transfer request. The rental due until 24 May 2024 is £1,424.
- 3.8. Project
- 3.8.1. The project is to invest further in the property and continue to use the facility as a Men's Shed. The organisation feels strongly that being owners rather than tenants will increase their stability and sustainability, as well as give them access to a wider range of external funding opportunities.

- 3.8.2. At present, no firm project or funding plans have been presented as part of the application. The intention would appear to be to tender for the works after securing the agreement to the purchase and then apply for funding.
- 3.8.3. The business model is based around income being generated from donations, sale of products and services created by members and open days. As mentioned above, the business model has a financial risk.

4. Assessment

- 4.1. The property is suitable for the proposed use and the organisation clearly has the drive and enthusiasm to further develop a vibrant Men's Shed delivering support and opportunities to those in the community that can feel isolated. However, the condition of the property, the lack of a project or funding plan and the financial risks present concerns regarding the viability and sustainability of the proposal.
- 4.2. The request for asset transfer is based upon sale of the property at £1. The community benefits derived from the proposal relate to health and wellbeing, education, environmental and recreational.
- 4.3. The Community Asset Transfer Working Group assessed the potential community benefits and recommended that a discount of between 75% and 90% be applied to the market value to reflect the benefits to the community.
- 4.4. The risks associated with the asset transfer are considered medium to high, and the application to purchase is a little premature, however, it is also recognised that there are considerable community benefits derived from the project. On balance, the Assessment Panel considers that it is appropriate to agree the sale subject to the protections in Section 5.

5. Proposal

- 5.1. It is proposed to sell the former Walston Primary School, as shown on the attached plan, to Biggar and District Men's Shed, on the following principal terms and conditions:-

- (i) The sale will be to Biggar and District Men's Shed
- (ii) The purchase price will be £8,000, exclusive of VAT (reflecting 90% discount)
- (iii) The date of entry to be agreed, subject to the conditions below
- (iv) Each party to be responsible for their own legal expenses, however, the purchasers will require to pay any registration fees and Land and Buildings Transaction Tax (LBTT) if required.

To mitigate against the risks identified at Section 4, the sale will be conditional upon

- (v) Evidence of the availability of funding to deliver a significant investment in the property.
- (vi) The terms and conditions of the existing lease, including rental being due from 23 October 2023, being met.
- (vii) A 2-year, long stop date.

6. Employee Implications

- 6.1. There are no employee implications for South Lanarkshire Council.

7. Financial Implications

- 7.1. The property is surplus to Council operational requirements and, although currently subject to a concessionary lease, has potential to generate a capital receipt in the order of £80,000.
- 7.2. As the current lease is on full repairing and insuring terms, Council has no revenue costs associated with this property.

8 Climate Change, Sustainability and Environmental Implications

- 8.1. There are no issues in relation to climate change, sustainability and the environment contained within this report.

9. Other Implications

- 9.1. In terms of the Community Empowerment (Scotland) Act 2015, the Council has until 30 May 2024 to provide a notice of its decision whether to agree to or refuse the asset transfer request.
- 9.2. The organisation has a right to appeal to Scottish Ministers should a decision not be made in that timescale, if the asset transfer request is refused or the organisation does not agree with the proposed terms and conditions.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. Consultation has taken place with the Community and Enterprise, Land Services, Planning, Legal, and Finance Services as well as having been published for public consultation.
- 10.2. 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 impact assessment is required.

Stephen Gibson

Executive Director (Housing and Technical Resources)

11 March 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent
- ◆ Work with communities and partners to promote high quality, thriving and sustainable communities
- ◆ Caring, connected, sustainable communities

Previous References

- ◆ Minutes of Housing and Technical Resources Committee, 29 September 2021

List of Background Papers

- ◆ Application and supporting documents via Planning Portal ref CAT/23/0015

Contact for Further Information

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

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