

Report

Report to:	Housing and Technical Resources Committee
Date of Meeting:	5 February 2020
Report by:	Executive Director (Housing and Technical Resources)

Subject:	2 King Street, Larkhall - Lease to Larkhall Christians Together on Concessionary Terms
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ advise of the request to grant a 10 year lease of 2 King Street, Larkhall on the same concessionary terms as the current short term lease

2. Recommendation(s)

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

- (1) that the community facility at 2 King Street, Larkhall, be leased to Larkhall Christians Together (a Scottish Charitable Incorporated Organisation), at a concessionary rental of £1 per annum, for a period of 10 years; 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 extension of the existing concessionary lease.

3. Background

- 3.1. The Executive Committee, at its meeting of 8 March 2017, approved the creation of a lease to Larkhall Christians Together for a period of one year on concessionary rental terms. The initial project was to reopen the former public toilets and create a community facility where people could obtain information on the services and activities available within the area as well as provide space to hold meetings.
- 3.2. By the end of that 1 year lease the organisation do not feel they had a sufficient number of community activities in place to justify seeking to progress a Community Asset Transfer by purchase. Instead a 2 year extension of the lease was subsequently approved by the Executive Committee at its meeting on 27 June 2018 to enable Larkhall Christians Together to further develop the activities delivered from this location.
- 3.3. The lease is due to end on 2 August 2020 and Larkhall Christians Together have approached the Council requesting a new longer term lease. The organisation do not consider outright ownership of the property an option at the moment and are requesting instead a 10 year lease agreement.

- 3.4. Larkhall Christians Together Trust is a Scottish Charitable Incorporated Organisation (SCO47032) and in support of their request for a longer lease the organisation has provided a summary of the activities delivered through the project to date and a business plan setting out the risks, benefits and financial arrangements for the future of the facility known as The Lighthouse.
- 3.5. During the first full year of operation the facility was operated by 20 volunteers and had a total of 6079 visits. As well as the public toilets, the facility is a base for a variety of activities and local information, including a listening service, a book group, various craft groups and language lessons. Feedback from users of the facility has been very positive.
- 3.6. Over and above the services delivered to the local community, the team of volunteers have developed a range of skills and future proposals include the potential for creating a staff post to help develop further the range of activities available.
- 3.7. At present the financial viability of the project is marginal and relies on donations to support its operation, however the business plan sets out proposals for income generation that will see the operating costs fully covered within the next 4 years.

4. Proposal

- 4.1. It is proposed that 2 King Street, Larkhall be leased to Larkhall Christians Together Trust on the following principal terms and conditions:-

- ◆ The lease will be for the period of 10 years
- ◆ The date of entry will be 3 August 2020 or an earlier date by agreement
- ◆ The rental will be £1 per annum
- ◆ The property will be used as a community facility and public toilets
- ◆ The tenants will be responsible for all repairs, maintenance and insurance, including any dilapidation works required at the end of the lease
- ◆ The Council will insure the building and recover the insurance premium from the tenant
- ◆ The tenants will be responsible for any rates, water rates and utility costs
- ◆ Each party will bear their own legal expenses

5. Employee Implications

- 5.1. There are no employee implications.

6. Financial Implications

- 6.1. The grant of the lease at £1 per annum removes a potential capital receipt to the Council of approximately £30,000 to £40,000. The estimated full market rental value is estimated as around £3,200 per annum.
- 6.2. The lease will reduce the Council's revenue liability in terms of the rates, maintenance, insurance and security of the property.

7. Climate Change, Sustainability and Environmental Implications

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

8. Other Implications

- 8.1. If the lease were not to proceed that property would be surplus to the council's operational requirements and following circulation in the property bulletin would be marketed for sale. There would be a loss of services delivered, including access to the public toilet, and the associated community benefits.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1. Consultation has previously taken place with Community Resources, Planning, Legal, Finance and Regeneration Services. Larkhall Christians Together have also carried out a survey of their volunteers and a survey of facility users in developing their business plan.
- 9.2. 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.

Daniel Lowe

Executive Director (Housing and Technical Resources)

23 December 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Make communities safer, stronger and sustainable

Previous References

- ◆ Executive Committee, 27 June 2018
- ◆ Executive Committee, 8 March 2017

List of Background Papers

- ◆ Larkhall Christians Together Business Plan

Contact for Further Information

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

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