

Report

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

Subject:	Former David Milne Centre, 84 Old Mill Road, Uddingston – Asset Transfer to Rivals School of Martial Arts
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1. Purpose of Report

The purpose of the report is to:-

- ◆ advise the Committee of the request for asset transfer, by lease, of the former David Milne Centre, 84 Old Mill Road, Uddingston to Rivals School of Martial Arts; and
- ◆ request approval to the principal terms and conditions of asset transfer as set out in Section 5 of the report

2. Recommendation(s)

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

- (1) that the former David Milne Centre, 84 Old Mill Road, Uddingston be leased to Rivals School of Martial Arts, 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 lease and enter into the necessary legal agreements on terms which are in the best interests of the Council

3. Background

- 3.1. The Council owns the former David Milne Centre, 84 Mill Road, Uddingston. The property closed in March 2023 and is currently vacant.
- 3.2. Rivals School of Martial Arts has been in existence for 16 years and a charity since April 2016.
- 3.3. Rivals School of Martial Arts submitted a request for Community Asset Transfer of the former hall, by lease, the validation date for which was 18 September 2023.
- 3.4. In addition to placing the application and supporting documentation on the Council's Planning Portal, notices were placed on the property advising that the Council was considering an asset transfer. The closing date for responses was 19 October 2023 at which time 57 representations were received, 34 in favour of the project and 23 raised objections, primarily with concerns around parking provision and potential competition with other local organisations/facilities.

- 3.5. The request was placed before the Community Asset Transfer Assessment Panel on 12 December 2023 when the following matters were taken into consideration.
- 3.6. Property
- 3.6.1. The property is a single storey building with a main hall, 2 small meetings rooms, kitchen and toilets. Car parking is provided via public car parking which does experience pressure during the day, however, has capacity in the evenings.
- 3.6.2. The facility has been closed since South Lanarkshire Leisure and Culture (SLLC) withdrew services in March 2023 and there are no other operational requirements for the building.
- 3.6.3. The Planning Service has indicated that planning consent will not be required as there is no change of use.
- 3.6.4. The in-house Valuer has placed a rental value of £8,200 per annum on the property.
- 3.7. Organisation
- 3.7.1. The organisation has been in existence for 16 years and was established as a Scottish Charitable Incorporated Organisation (SCIO), Scottish Charity No. SC046518 in April 2016.
- 3.7.2. Legal Services has confirmed the constitution is appropriate for community asset transfer by lease and the constitution does contain an asset lock.
- 3.7.3. The purposes of the organisation are “the promotion of community participation in healthy sport (and recreation) for the health, benefit and community development by the provision of premises and facilities for playing and participating in Martial Arts and associated health promoting activities.”
- 3.7.4. The organisation has 8 trustees, 8 members of staff and 30 volunteers. The organisation currently operates from 3 other facilities across South and North Lanarkshire.
- 3.8. Project
- 3.8.1. The proposal is to transfer the former hall via a 20-year lease, with a break option at year 5, at nominal rent.
- 3.8.2. There is no major capital investment programme or redevelopment proposed, rather conversion into a state-of-the-art martial arts training and community centre, involving interior renovations to create well-equipped training areas, fitness facilities, classrooms for workshops and social spaces for gathering and relaxation.
- 3.8.3. The organisation has assessed the costs of operating the facility based upon its experience in other locations and the latest accounts and bank statements show that the organisation is sustainable and has the funds to deliver the works to the property.
- 4. Assessment**
- 4.1. Rivals School of Martial Arts has experienced trustees and is successfully operating similar facilities across Lanarkshire. The organisation works closely with other third sector organisations particularly providing support for employability programmes and working with young people with complex needs.

- 4.2. There are no significant capital works required to the property and therefore, no grant funding applications are being made at the present time.
- 4.3. There is a small risk in terms of viability of the project given the rapid expansion of the organisation's activities, however, the inclusion of a break option within the lease goes towards mitigating this risk.
- 4.4. The community benefits derived from the proposal relate to health and wellbeing, education and development of sport.
- 4.5. Within its asset transfer request, Rivals School of Martial Arts requested transfer by lease at a nominal rental of £1 per annum. The Community Asset Transfer Working Group assessed the potential community benefits and recommended that a discount of 100% be applied. This equates to £8,200 per annum.
- 4.6. On balance, given that the facility is no longer required by SLLC, the organisation is stable and the project viable, it is recommended that the 20-year lease be granted with a mutual break option at year 5.

5. Proposal

- 5.1. It is proposed to grant a lease of the former David Milne Centre, Uddingston to Rivals School of Martial Arts, on the following principal terms and conditions:-

1. the lease will be to Rivals School of Martial Arts
2. the lease will be for 20 years
3. there will be a mutual break option in year 5 of the lease
4. date of entry to be agreed
5. the rental is £1 per annum, if asked
6. the tenants would be responsible for all repairs and maintenance
7. the tenants will be required to obtain and exhibit as required, public liability insurance to the value of £5m for any one claim
8. the Council will insure the property and recover the costs from the tenants
9. the use will be for a sports facility and community centre
10. the tenants to be responsible for any rates or property charges resulting from their occupation and use of the subjects
11. assignation and subletting (excluding hourly lets) will not be allowed without the Council's express consent
12. each party to be responsible for their own legal costs, however, the tenants will require to pay any registration fees and Land and Buildings Transaction Tax (LBTT) if required

6. Employee Implications

- 6.1. There are no employee implications as the facility is currently closed.

7. Financial Implications

- 7.1. The proposed asset transfer removes revenue costs associated with the vacant property, in excess of £8,500 per annum.
- 7.2. The property could generate a capital receipt in the region of £80k if planning consent could be secured for commercial use.

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 18 March 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 or the asset transfer request be refused.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. Consultation has taken place with Community and Enterprise, 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)

10 January 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent
- ◆ Caring, connected, sustainable communities.

Previous References

- ◆ None

List of Background Papers

- ◆ Asset Transfer Application Ref CAT/23/0008

Contact for Further Information

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

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