

Report

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

Subject:	Community Asset Transfer of Former St Leonard's Hall, East Kilbride to East Kilbride Men's Shed - 15 Year Lease
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Committee of the request for a 15 year lease of the former St Leonard's Hall by East Kilbride Men's Shed and seek approval to the principal terms and conditions 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 St Leonard's Hall be leased to East Kilbride 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 lease and enter into the necessary legal agreements on terms which are in the best interests of the Council.

3. Background

- 3.1. The subjects at the former St Leonard's Hall were managed by South Lanarkshire Leisure and Culture (SLLC) and used as a store. A short-term lease to East Kilbride Men's Shed to enable the organisation to build capacity and develop a sustainable business model was agreed in February 2022. The current rent is £3,600 per annum to cover all utilities and property costs, excluding non-domestic rates for which the group has responsibility.
- 3.2. East Kilbride Men's Shed has now approached the Council with a request for a 15 year lease of the subjects to enable the facility and the organisation to further develop.
- 3.3. This is a formal community asset transfer request in terms of the Community Empowerment (Scotland) Act 2015. The validation date for which was 20 November 2023. The application and supporting documentation was placed on the Council's planning portal. The closing date for responses was 27 December 2023, and no comments were received. The application for the lease was considered by the Community Asset Transfer Panel on 31 January 2024, where the following matters were taken into consideration.

3.4. Property

- 3.4.1. The extent of the property is shown on the attached plan and as there is no change of use or development proposed. Separate meters have been installed to allow the relevant utility costs to be appropriately allocated to the proposed occupation.
- 3.4.2. The request does include a small additional area of open space to be included. This area, however, forms sight lines for the car park traffic and it is not recommended for inclusion in the lease.

3.5. Organisation

- 3.5.1. East Kilbride Men's Shed is a charitable company limited by Guarantee Company Registration No SC048316. The organisation has been operating since 2017 and registered as a SCIO in 2018. East Kilbride Men's Shed is the second oldest men's shed in South Lanarkshire.
- 3.5.2. The purpose of the organisation is to provide facilities, activities and resources to the residents of East Kilbride in particular, reducing isolation of individuals and develop capacity to share skills and knowledge with the community.

3.6. Project

- 3.6.1. The proposal is for East Kilbride Men's Shed to continue to use the facility as a Men's Shed and offices. The grant of 15 year lease will allow the organisation to continue to develop the Men's Shed for the long term with security of occupation.

4. **Assessment**

- 4.1. The property continues to be suitable for the use and the organisation has the capacity and funds to manage the facility.
- 4.2. The grant of the 15-year lease will enable the tenants to invest in the facility and relieve the Council of the costs of empty property rates, utility charges, insurance costs and repairs.
- 4.3. The risks associated with the proposed lease are considered low, given the status of the organisation.
- 4.4. The Council has no alternative operational requirement for the subjects. Should the lease prove unsustainable for tenants, the Council will have the ability to resume full ownership and consider the future of the property.
- 4.5. The Community Asset Working Group assessed the existing and potential community benefits and recommended that a discount of 90% be applied to the market value of £9.550 to reflect these. However, in light of the utility costs and communal charges associated with the building, it is proposed to grant a 2-year rent free period to allow the transitioning to direct metering of the utilities.

5. **Proposal**

- 5.1. It is proposed to lease the subjects at the former St Leonard's Hall to East Kilbride Men's Shed on the following principal terms and conditions: -
 - i. the lease will be to the former St Leonard's Hall, East Kilbride.
 - ii. the lease will be for a period of 15 years.
 - iii. the date of entry to be agreed.
 - iv. the rental shall be £955 per annum (reflecting 90% discount).
 - v. a rent free period of 2 years will be granted from the date of entry.
 - vi. the lease to be fully repairing and insuring.

- vii. the tenants will be required to obtain and exhibit as required, public liability insurance to the value of £5 million for any one claim.
- viii. the Council will insure the property and recover the costs from the tenants.
- ix. the tenants will meet the costs of any common repairs and maintenance of the common areas on a pro rata basis.
- x. the property will be used in conjunction with the tenant's activities as operators of a 'Men's Shed' within the Scottish Men's Shed Association.
- xi. the tenants to be responsible for any rates or property charges resulting from their occupation and use of the subjects.
- xii. assignation and subletting (excluding hourly lets) will not be permitted without the Council's express consent.
- xiii. 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 associated with this report.

7. Financial Implications

- 7.1. The lease will result in a saving in void property costs including empty rates, insurance and utility standing charges and repairs and maintenance.
- 7.2. The property has an estimated capital receipt value in the order of £75,000.

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. The Council will manage the retained common repairs liabilities for areas shared with the adjacent Library.
- 9.2. In terms of the Community Empowerment (Scotland) Act 2015, the Council has until 20 May 2024 to provide a notice of its decision whether to agree or refuse the asset transfer request.
- 9.3. The organisation has the right to appeal to Scottish Ministers should a decision not be made in that timescale, if the asset transfer 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 Participation Team, Legal Services and Community and Enterprise Resources.
- 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)

13 March 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

- ◆ Caring, connected, sustainable communities

Previous References

- ◆ Standing Order 36 (C) Report approved 27th January 2022

List of Background Papers

- ◆ Application and supporting documents via Planning Portal ref CAT/23/0013.

Contact for Further Information

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

Joanne Forbes, Head of Property Services

Ext: 4073 (Tel: 01698 454073)

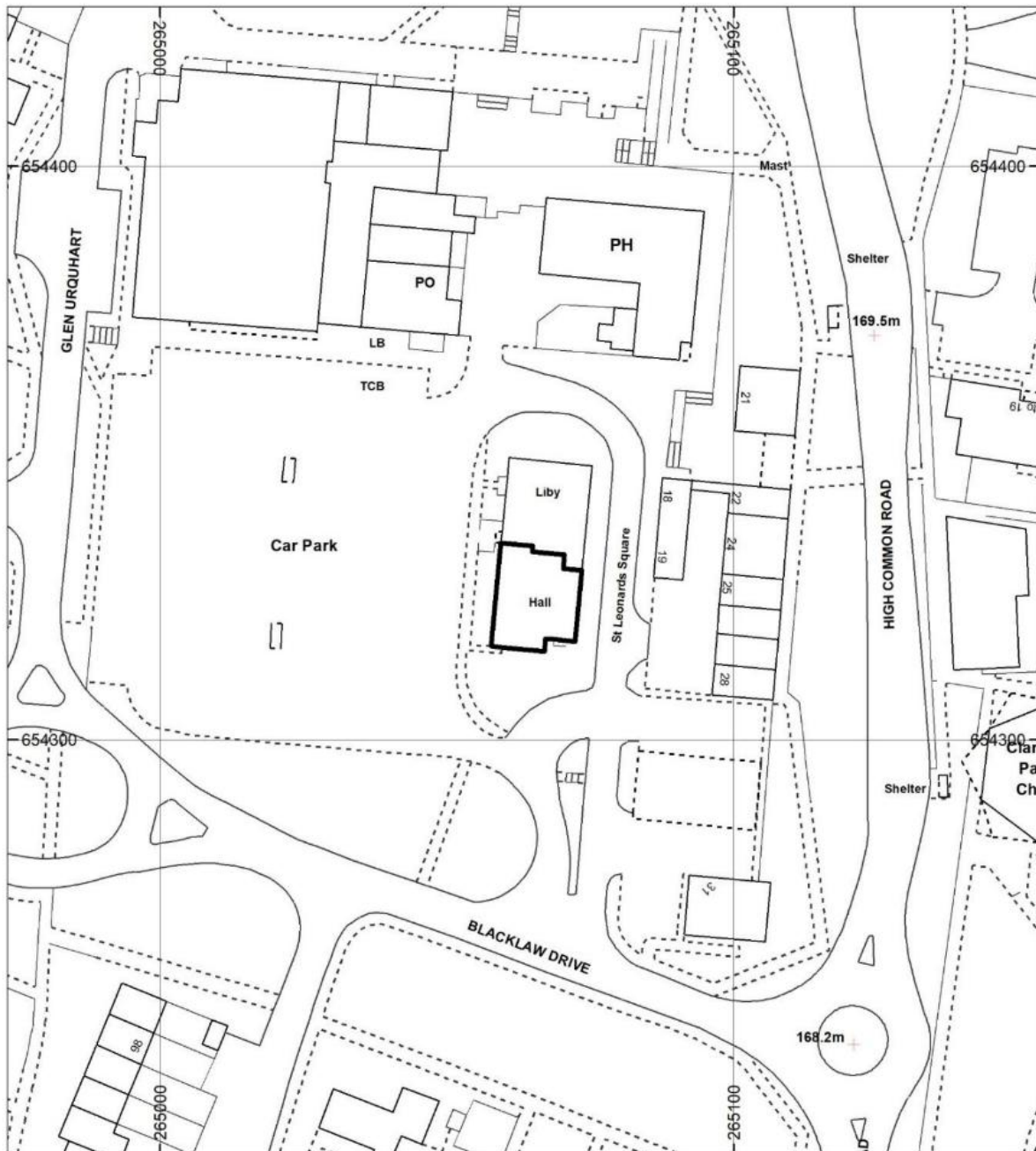
email: joanne.forbes@southlanarkshire.gov.uk

LOCATION PLAN - For Committee Purposes Only

St Leonards Community Hall
St Leonards Square, East Kilbride



HOUSING AND TECHNICAL



Contents outlined in Black 234 square metres or thereby.