

Asset Transfer Panel

Decision Notice

Decision by South Lanarkshire Council Asset Transfer Panel Reference CAT/21/0004

- Site address: Jock Stein Sports Facility, 176 Hillhouse Road, Hamilton, ML3 9TU
- Application for review by Blantyre Soccer Academy (Scottish Charity SCVO43613) of the decision taken by officers of South Lanarkshire Council to refuse a request for asset transfer in relation to the Jock Stein Sports Facility
- Application CAT/21/0004 for disposal at less than market value

Decision

The Panel confirms the decision taken by officers, to refuse a request for asset transfer in relation to the Jock Stein Sports Facility, Hillhouse Road, Hamilton.



Geraldine McCann
Head of Administration and Legal Services

Date of Decision Notice: 20 . 04 . 2022

1. Background

- 1.1 This Notice constitutes the formal decision notice of Asset Transfer Panel as required by the Asset Transfer Request (Review Procedure) (Scotland) Regulations 2016.
- 1.2 The above application for review was considered by the Asset Transfer Panel at its meeting on 30 March 2022. The meeting of the Asset Transfer Panel was attended by Councillors Maureen Devlin, Mark Horsham and Josh Wilson (Chair).

2. Proposal and Procedure

- 2.1 The proposal is for an asset transfer of the Jock Stein Sports Facility to Blantyre Soccer Academy, by disposal at less than market value,
- 2.2 The options available to the Panel were to confirm, modify or replace with a different decision, the decision taken by officers in respect of the application under review.
- 2.3 The Panel considered whether it had sufficient information to determine the review without the requirement for further procedure or combination of procedures such as a hearing session or further written submissions. It noted the applicants' stated preference for a hearing and a site visit but concluded that it had sufficient information to proceed to determine the review.

3. Determining Issues

- 3.1 The Panel established that the following statutory matters required to be considered, where applicable, when making a decision:-
 - the reasons for the request
 - any other information provided in support of the request (whether such other information is contained in the review or otherwise provided)
 - whether agreeing to the request would be likely to promote or improve economic development; regeneration; public health; social wellbeing; or environmental wellbeing
 - whether agreeing to the request would be likely to reduce inequalities of outcome which result from socio-economic disadvantage
 - any other benefits that might arise if the request were agreed to
 - any benefits that might arise if the Council were to agree to or otherwise adopt an alternative proposal (in respect of the land to which the request relates)
 - how such benefits would compare to any benefits such as are mentioned in bullet points (iii) and (v)
 - how any benefits such as are mentioned in bullet point (vi) above relate to other matters the Council considers relevant (including, in particular, the functions and purposes of the Council)
 - any obligations imposed on the Council, by or under any enactment or otherwise, that may prevent, restrict or otherwise affect its ability to agree to the request
 - such other matters (whether or not included in or arising out of the request) as the Panel considers relevant
- 3.2 In considering the case, The Panel had regard to the information submitted by all parties as follows:-
 - aerial photograph and site plan
 - asset transfer request form
 - Blantyre Soccer Academy Constitution
 - Business Plan, October 2021
 - Community Use Agreement
 - District Valuer's report
 - list of parties submitting representations 2021
 - summary of representations 2021
 - decision notice
 - request for review, including applicant's reasons for requiring the review
 - emails referred to in the request for review
 - further submissions from interested parties following notification of the request for the review of the case
 - the Officer Panel's observations on the asset transfer request

♦ comments from the applicant on the further submissions received from the interested parties

4 Decision and Reasons

- 4.1 The Panel considered the information submitted by all parties and noted that there was significant community objection to the proposal. It concluded that the officers' decision to refuse the asset transfer request be confirmed for the reasons detailed in the Council's decision notice dated 16 November 2021 which is attached as an appendix to this document and summarised below:-
 - lack of community support for the proposal which in turn impacts upon the deliverability of community benefits and the feasibility of the financial model.
 - the strong level of objection to the asset transfer, particularly from existing users, and lack of willingness of other community organisations to engage in discussions about how the proposed management board would operate, brings into question the ability to deliver any wider community benefits, over and above those already delivered by the current operation of the facility. The lack of user commitment to the proposal also impacts upon the viability of the financial model which is based heavily upon the existing users continuing to pay to use the facility in future.
 - the proposal and future revenue model are based upon securing in excess of £1.3 million for the upgrade of the existing synthetic pitch and conversion of one grass pitch to a synthetic pitch. Whilst the expenditure could be phased and the business plan shows a number of options, the routes for securing this significant level of funding are unclear. A mixture of loans and grant funding would be sourced, however, the deliverability of such loans and funding is likely to be affected by the requirement for the Council to protect the future development value of the asset
 - The District Valuer has assessed the value of the facility as £2.5 million, gross development value. Disposing of the asset at a concessionary value, or even at the existing use value of £365,000, would not represent Best Value. The Council would require to protect the value of the asset for a considerable period of time in order to demonstrate Best Value. The legal mechanisms for doing so would be for the use of a "clawback" clause in the sale and a standard security. Both of these mechanisms are likely to contradict the terms and conditions required by lenders and funding organisations
 - in terms of accessibility to services for existing users, the business plan proposes that there will be no cash payments, a disadvantage to some existing users, and there is uncertainty about the ability to offer a continuation of the existing concessionary schemes that are currently available to users
 - there are 6 staff based at the facility whose circumstances would be affected by the proposal. Whilst more detailed information would be required to determine whether or not TUPE would apply under the asset transfer, the proposal is based upon the facility being operated by existing Blantyre Soccer Academy staff and volunteers. The Council considers that the financial model cannot accommodate the costs of the 6 staff, should TUPE apply

5. Conclusion

The Panel considered a request by Blantyre Soccer Academy for a review of the decision taken by officers to refuse a request for asset transfer in relation to the Jock Stein Sports Facility, Hillhouse Road, Hamilton. The Panel concluded that the officers' decision be confirmed for the reasons detailed in the Council's decision notice dated 16 November 2021.





Housing and Technical Resources Executive Director Daniel Lowe Property Services

Our ref: JEF/JS

Your ref:

If calling ask for: Joanne Forbes

Phone:

Date: 16 November 2021

ASSET TRANSFER UNDER THE COMMUNITY EMPOWERMENT ACT DECISION NOTICE in respect of application CAT/20/0004

This Decision Notice relates to the asset transfer request made by Blantyre Soccer Academy on 15 June 2021 in relation to the Jock Stein Sports Facility at 176 Hillhouse Road, Hamilton, ML3 9TU.

South Lanarkshire Council has decided to refuse the request.

The reasons for this decision are principally based upon the lack of community support for the proposal which in turn impacts upon the deliverability of community benefits and the feasibility of the financial model.

In considering the proposal the Council has had to balance consideration of the benefits and investment that could be delivered through the transfer of the property to an individual organisation such as Blantyre Soccer Academy against the benefits that the facility currently provides to the wider geographic community including the regular existing users.

The strong level of objection to the asset transfer, particularly from existing users, and lack of willingness of other community organisations to engage in discussions about how the proposed management board would operate, brings into question the ability to deliver any wider community benefits, over and above those already delivered by the current operation of the facility. The lack of user commitment to the proposal also impacts upon the viability of the financial model which is based heavily upon the existing users continuing to pay to use the facility in future.

Other matters that have also been relevant to this decision are the funding options, the value of the property, and associated requirement for the Council to protect the future development value, as well as the implications for existing users and staff.

The proposal and future revenue model are based upon securing in excess of £1.3 million for the upgrade of the existing synthetic pitch and conversion of one grass pitch to a synthetic pitch. Whilst the expenditure could be phased and the business plan shows a number of options, the routes for securing this significant level of funding are unclear. It is suggested that a mixture of loans and grant funding will be sourced. The deliverability of such loans and funding is likely to be affected by the requirement for the Council to protect the future development value of the asset.

The District Valuer has assessed the value of the facility as £2.5 million, gross development value. Disposing of the asset at a concessionary value, or even at the existing use vale of £365,000, would not represent Best Value. The Council would require to protect the value of the asset for a considerable period of time in order to demonstrate Best Value. The legal mechanisms for doing so would be for the use of a "clawback" clause in the sale and a standard security. Both of these

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mechanisms are likely to contradict the terms and conditions required by lenders and funding organisations.

In terms of accessibility to services for existing users the business plan proposes that there will be no cash payments, a disadvantage to some existing users, and there is uncertainty about the ability to offer a continuation of the existing concessionary schemes that are currently available users.

Finally with regards staff, there are 6 staff based at the facility whose circumstances would be affected by the proposal. Whilst more detailed information would be required to determine whether or not TUPE would apply under the asset transfer, the proposal is based upon the facility being operated by existing Blantyre Soccer Academy staff and volunteers. The Council considers that the financial model cannot accommodate the costs of the 6 staff should TUPE apply.

It is recognised that Blantyre Soccer Academy as an organisation has the ambition, capacity and experience to deliver projects although this would be a larger than previous undertakings, however for the reasons set out above it is believed that with regards to the proposal for Jock Stein Sports Facility the transfer of the asset does not represent Best Value or deliver wider community benefits.

Right to Review

You have a right to apply to the Council to review this decision.

An application for review must be made in writing to Mr Frank McCafferty, Head of Property Services, Floor 10, Almada Street, Hamilton ML3 0AA (frank.mccafferty@southlanarkshire.gov.uk) by 15 December 2021, which is 20 working days from the date of this notice.

Guidance on making an application for review is available at www.gov.scot.publications/asset-transfer-under-community-empowerment-scotland-act-2015-guidance.

The request for the review of the decision will then be considered by a sub-committee of the Housing and Technical Resources Committee.

Yours faithfully

Joanne Forbes

Joanne Forbes
Property Manager (Assets and Estates Services)