

Report

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

Subject:	Low Waters Hall, Hamilton – Community Asset Transfer to Low Waters Community Group
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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 lease of Low Waters Hall, Elliot Crescent, Hamilton by Low Waters Community Group 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 subjects at of Low Waters Hall, Eliot Crescent, Hamilton be leased to Low Waters Community Group, 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 Low Waters Hall were previously managed by South Lanarkshire Leisure and Culture (SLLC) and, following a review of its business plan, the SLLC Board announced that it could no longer sustain this facility and the property was returned to the Council.
- 3.2. A request for an asset transfer to lease the subjects to the Trustees of Clyde Scouts was approved by Committee on 8 December 2021. However, because of organisational issues within the Trustees of Clyde Scouts, the lease has not concluded.
- 3.3. The Trustees of Clyde Scouts have now requested that their interest be transferred to Low Waters Community Group a SCIO (Charity number SC 052955) to take on the lease to enable the facility to re-open for community use. The lease will enable Low Waters Community Group to operate the facility.
- 3.4. The individuals from the local community that were involved in the previous application from Trustees of Clyde Scouts are now reconstituted within Low Waters Community Group, however, the business plan, investment, objectives and operational intentions are unchanged from the original application.

- 3.5. The application was validated on 23 July 2021. The application and supporting documents were placed on the planning portal.
- 3.6. The Community Asset Transfer Working Group assessed the original application and recommended that the applicants be granted a 67% rent reduction on the rental. This is considered equally applicable to Low Waters Community Group given the similarities in the organisations, membership, and objectives. However, the Asset Transfer Panel has reviewed the proposal and taken the following matters into account.
- 3.7. Property
- 3.7.1. The extent of the property is shown on the attached plan and, as there is no change of use or development, planning consent will not be required.
- 3.7.2. The property has potential commercial value and there is interest from an adjoining proprietor should the community asset transfer not proceed.
- 3.8. Organisation
- 3.8.1. Low Waters Community Group is a SCIO (Scottish Charitable Incorporated Organisation) Company Registration a SCIO (Charity number SC 052955).
- 3.8.2. The purpose of the organisation is to provide facilities for community development, recreational facilities, and resources to the residents of Hamilton.
- 3.9. Project
- 3.9.1. The proposal is for Low Waters Community Group to re-open the facility as a community hall and then, through their management, develop additional activity. Initially, the use will focus principally upon accommodation for the Scouts.
- 3.9.2. The financial viability of the project is considered marginal and low revenue income presents a risk.
- 4. Assessment**
- 4.1. The property is suitable for the proposed use and the organisation has the capacity and funds to manage the facility.
- 4.2. The lease will enable the facility to re-open and relieve the Council of the costs of empty property rates, utility charges, insurance costs and repairs, however, it does defer the ability to generate a capital receipt.
- 4.3. The Council has no alternative operational requirement for the subjects. The risks of the transfer are considered low, however, should the lease prove unsustainable for Low Waters Community Group, the Council will have the ability to resume full ownership and consider the future of the property.

5. Proposal

- 5.1. It is proposed to lease Low Waters Hall to Low Waters Community Group, on the following principal terms and conditions:-
1. The lease will be to the Low Waters Community Group.
 2. The lease will be for a period of 20 years.
 3. The date of entry to be agreed.
 4. The rental shall be £825 per annum being a 67% discount on the market value of £2,500 p.a.
 5. The tenants shall be granted break options on the second, fifth and tenth anniversary of the date of entry.

6. The lease to be fully repairing and insuring.
7. The tenants shall be granted a tenant break option in the event of any single major repair exceeding £30,000 (2024 value) during the term of the lease.
8. The tenants will pay the buildings insurance costs as charged by the Council.
9. The tenants will be required to obtain and exhibit, as required, public liability insurance to the value of £5 million for any one claim.
10. The property will be used as a community hall.
11. The tenants to be responsible for any rates or property charges resulting from their occupation and use of the subjects.
12. Assignment and subletting will not be allowed.
13. Landlord's consent will be required for any structural alterations to the property.
14. 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.
15. A one year rent free period to be granted to the tenants, during the first 12 months whilst the property is being improved.

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 £30,000- £50,000.

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. In terms of the Community Empowerment (Scotland) Act 2015, the Council initially had until 23 January 2023 to provide a notice of its decision whether to agree to or refuse the asset transfer.
- 9.2. The organisation had a right to appeal to Scottish Ministers should a decision not be made in that timescale, if the asset transfer request was refused or the organisation didn't agree with the proposed terms and conditions.
- 9.3. However, this recent request is for a different organisation and in delivering a community managed facility in light of the continued interest, the process has continued to allow the necessary organisational issues to be resolved.

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)

5 March 2024

Link(s) to Council Values/Priorities/Outcomes

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

Previous References

- ◆ Housing and Technical Resources Committee 8 December 2021
Low Waters Hall Hamilton – Asset Transfer to the Trustees of Clyde Scouts

List of Background Papers

- ◆ Application and supporting documents via Planning Portal ref CAT/21/0005

Contact for Further Information

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

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LOCATION PLAN - For Committee Purposes Only

Low Waters Hall
Eliot Crescent, Hamilton



HOUSING AND TECHNICAL



Contents outlined in Black 564 square metres or thereby.