

Report

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| Report to: | Housing and Technical Resources Committee |
| Date of Meeting: | 31 May 2023 |
| Report by: | Executive Director (Housing and Technical Resources) |

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| Subject: | The Fountain, 9-11 Abbeygreen, Lesmahagow – Lease to Lesmahagow Development Trust |
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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 The Fountain, 9-11 Abbeygreen, Lesmahagow to Lesmahagow Development Trust 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 The Fountain, 9-11 Abbeygreen, Lesmahagow be leased to Lesmahagow Development Trust 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 Fountain 9-11 Abbeygreen, Lesmahagow were, until recently, managed by South Lanarkshire Leisure and Culture (SLLC).

3.2. Following a review of its business plan, the SLLC Board announced that it could not sustain service delivery from this facility and control was returned to the Council.

3.3. Lesmahagow Development Trust approached the Council with a request for an annual lease of the subjects to enable the facility to re-open for community use as quickly as possible. The lease will enable them to operate the facility whilst testing the viability of a future Community Asset Transfer (CAT).

3.4. This is not a formal CAT request in terms of the Community Empowerment (Scotland) Act 2015, however, similar matters have been considered.

3.5. Property

3.5.1. The extent of the property is shown on the attached plan and as there is no change of use or development, proposed planning consent will not be required.

3.5.2. Part of the subjects at 9 Abbeygreen are currently leased to Bank of Scotland and this area will be excluded from the lease to Lesmahagow Development Trust and remain with the Council.

3.5.3. The upper floor of the property is a former flat which is in poor condition. Lesmahagow Development Trust is happy for the flat to be included in the lease subject to the outcome of their building condition survey.

3.6. Organisation

3.6.1. Lesmahagow Development Trust is a charitable company limited by guarantee Company Registration No SC364744. The Trust has been operating since 2009, owns a number of properties and has considerable funds and income streams.

3.6.2. The purpose of the organisation is to provide facilities, activities and resources to the residents of Lesmahagow.

3.7. Project

3.7.1. The proposal is for Lesmahagow Development Trust to initially re-open the facility as a community hall and office then, through their management, develop additional activity which will evidence a sustainable operating model and support a future CAT application. The grant of an annual lease will allow the organisation to assess the viability of the proposal and develop proposals for a future, longer term agreement or purchase.

3.7.2. The organisation has a number of ideas for the expansion of the use of the facility, however, is keen to limit the impact of the hall's closure on local community groups such as the local church, whilst it develops its proposals. It is also keen for the lease to be in place for mid-June to support the local Highland Games which will take place on 17 June 2023.

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 grant of the annual 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.

4.3. The risks associated with the proposed lease are considered low, given both the status of the organisation and that the request is for a year-to-year lease.

4.4. The Council has no alternative operational requirement for the subjects. Should the lease prove unsustainable for the Trust, the Council will have the ability to resume full ownership and consider the future of the property, however, it is anticipated that a formal application for CAT will be forthcoming.

5. **Proposal**

5.1. It is proposed to lease the subjects at The Fountain, 9-11 Abbeygreen, Lesmahagow to Lesmahagow Development Trust on the following principal terms and conditions:-

- i. the lease will be to Lesmahagow Development Trust
- ii. the lease will be for a period of 1 year
- iii. the date of entry to be agreed
- iv. the rental shall be £1 per annum, if asked
- v. the lease to be fully repairing and insuring subject to the Tenant obtaining a satisfactory condition survey

- vi. the tenants will be required to obtain and exhibit as required, public liability insurance to the value of £5 million for any one claim
 - vii. the Council will insure the property and recover the costs from the tenants
 - viii. the property will be used as a community hall, soft play area and offices
 - ix. the tenants to be responsible for any rates or property charges resulting from their occupation and use of the subjects
 - x. assignation and subletting (excluding hourly lets) will not be allowed without the Council's express consent
 - xi. 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
- 5.2. At the expiry of the lease, the Council and Lesmahagow Development Trust will consider renewal of the lease subject to being satisfied as to the operation of the subjects by the Trust.

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.

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 income from the lease to Bank of Scotland at 9 Abbeygreen will be retained by the Council. The Council will manage the retained common repairs liabilities for areas shared with the Bank.

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)

26 April 2023

Link(s) to Council Values/Priorities/Outcomes

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

Previous References

- ◆ None

List of Background Papers

- ◆ None

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)

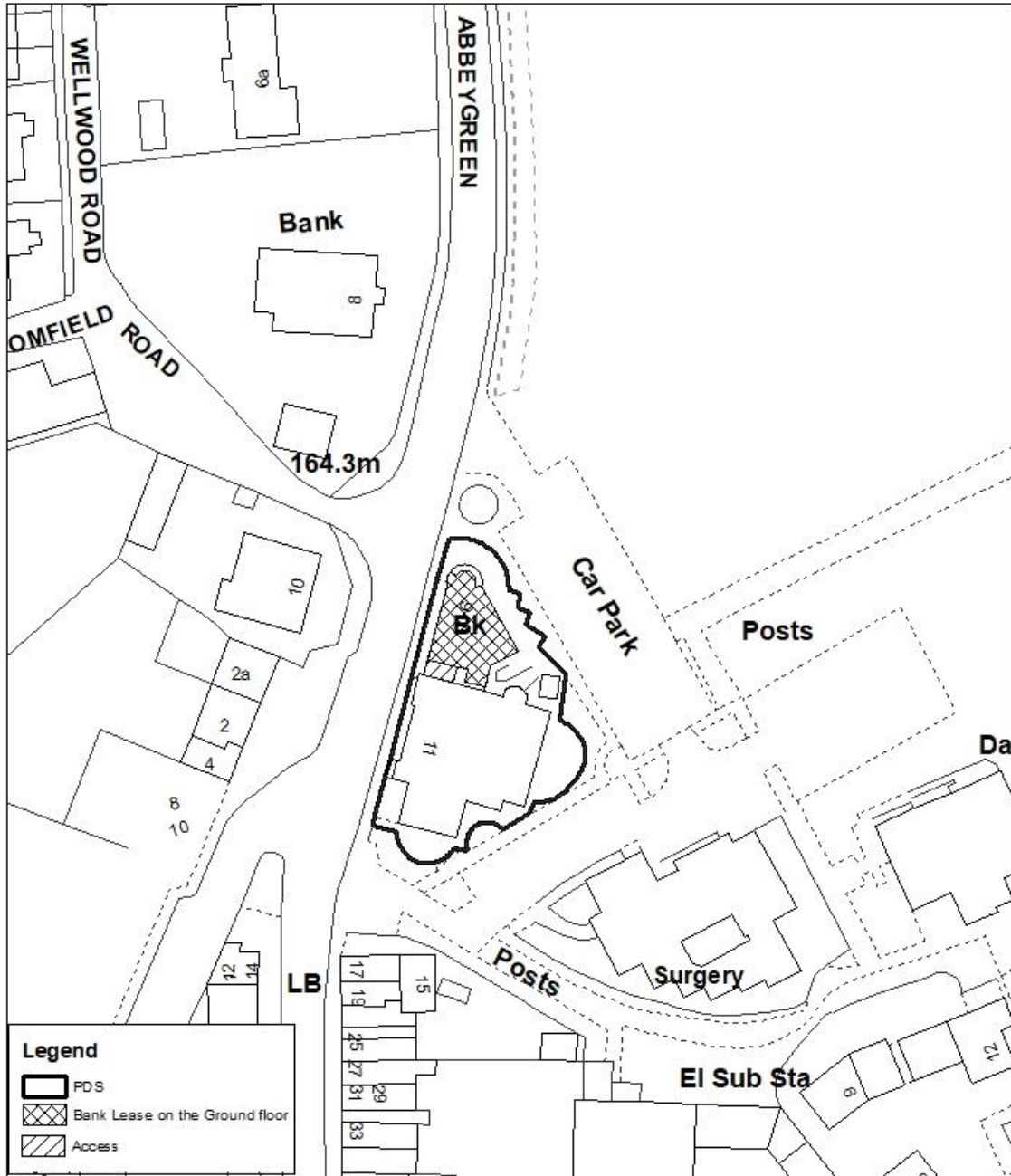
email: joanne.forbes@southlanarkshire.gov.uk

LOCATION PLAN - For Committee Purposes Only

The Fountain/Bank
Abbeygreen
Lesmahagow



HOUSING AND TECHNICAL



Ordnance Survey



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Ordnance Survey 100020730.

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