

# Report

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Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>25 April 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Common Good - Update</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the cyclical spend currently committed against the Common Good repairs and maintenance budgets for both Lanark and Hamilton
- ◆ advise members of variations to the ground lease at Hamilton Park Racecourse and partial assignation to permit hotel development resulting in increased revenue for the Hamilton Common Good Fund

## 2. Recommendation(s)

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

- (1) that the cyclical spend committed against the Common Good repairs and maintenance budgets for Lanark and Hamilton be noted; and
- (2) that the variation to the ground lease at Hamilton Park Racecourse and partial assignation to permit hotel development with future increased revenue of approximately £55,000 for the Hamilton Common Good Fund be noted.

## 3. Background

3.1. The Common Good is a fund of money or assets or both and is administered by a Scottish local authority in respect of each former burgh within the area of the local authority.

3.2. Common Good property is administered separately from other local authority assets for accounting purposes. What the authority can do with the assets is subject to a system of statutory control. This control has the potential to limit the extent to which the authority can dispose of or deal with the asset and on what terms.

3.3. The Common Good funds held within South Lanarkshire Council are Lanark, Biggar, Hamilton and Rutherglen.

## 4. Background to Cyclical Spend on Common Good

4.1. The Common Good Accounts in Lanark and Hamilton hold a number of properties. A proactive approach to maintenance supports the viability of these assets and reduces the Council's risk to greater liability in the future.

4.2. At its meeting on 2 October 2013, the Finance and Corporate Resources Committee approved an annual cyclical maintenance plan of £15,000 for both Lanark and Hamilton Common Good properties. The Executive Director (Finance and Corporate

Resources) has delegated authority to approve maintenance work up to the value of £15,000 for each fund. If inspections highlight requirements to undertake investment which would be beyond routine maintenance then this will be considered separately for approval and will be the subject of a report to this Committee.

- 4.3. This report provides an up-to-date position on the planned maintenance for both Lanark (Section 5) and Hamilton Common Good (Section 6) and an update on the variations of the Ground Lease at Hamilton Park Racecourse (Section 7).

**5. Lanark Repairs and Maintenance Budget – Planned Maintenance 2017/2018**

5.1. As at 31 March 2017, £5,975 of the 2016/2017 repairs and maintenance budget remained unallocated. When this is combined with the 2017/2018 annual budget of £15,000, a total of £20,975 was available to carry out repairs and maintenance in 2017/2018.

5.2. Expenditure Incurred

5.2.1 Under our obligations as a landlord, damaged fencing required to be replaced at Springbank Farm. This work is now complete at a cost of £6,139.

5.2.2 To meet Health and Safety obligations, a new fire alarm system was required at the Lanark Tolbooth. The costs incurred were £4,296.

5.2.3 The Tote Building within the grounds of Lanark Racecourse required to be made wind and watertight. Initial investigation of the building highlighted that further investigations and a site survey would be required. Expenditure incurred to date for new fencing; an ecological survey; and a full investigative survey to establish works to be carried out totalled £9,182. Any further works identified will be subject to approval by this Committee.

5.2.4 To meet Health and Safety obligations at St Nicholas Church Tower works were required to be undertaken including the replacement of an electrical distribution board, new fire extinguishers and an asbestos survey. In addition, there was some painting of the vestibule and front doors. The costs of the works was £2,372.

5.2.5 Fencing to prevent access to a section of Lanark Loch perimeter which needs to be repaired has been carried out at a cost of £4,889. These costs have been met by Community and Enterprise Resources.

5.2.6 The total costs charged to Common Good funds for repairs and maintenance is summarised in Table 1. Actual expenditure has been £21,989 resulting in an overspend of £1,014 which has been met by the Lanark Common Good Fund.

Table 1 – Available Budget for Lanark Repairs and Maintenance

<b>Lanark Repairs and Maintenance 2017/18</b>	<b>Actual Expenditure</b>
<b>Available Budget 2017/18</b>	<b>£20,975</b>
<b>Expenditure</b>	
Repairs to fencing at Springbank Farm	£6,139
Tolbooth Fire Alarm System	£4,296
Tote Building – Secure building and Surveys to Building	£9,182
St Nicholas Church Tower Health and Safety Review	£2,372
<b>Total</b>	<b>£21,989</b>
<b>(Overspend)</b>	<b>(£1,014)</b>

### 5.3. Potential Commitments and Ongoing Work

5.3.1 On 14 September 2016, the Finance and Corporate Resources Committee approved works to replace gabion baskets in a section of the Lanark Loch perimeter at an estimated cost of £25,000 to be met from the Lanark Common Good fund. Work has been delayed due to the discovery of damage to the outlet pipe for the loch. Drainage works will not be able to be carried out until the pipe has been surveyed by Reservoir Engineers and repair costs estimated and approved by Committee.

5.3.2 Under the terms of the lease, redecoration of the exterior of Lanark Tolbooth is due to take place in 2019. Discussions regarding this are ongoing with the Lanark Tolbooth Heritage Trust.

5.3.3 Routine Health and Safety assessments for all Common Good properties are currently being scheduled. The outcome of these assessments may result in additional work having to be carried out.

### 6. **Hamilton Repairs and Maintenance Budget – Planned Maintenance 2017/2018**

6.1. There are currently no commitments against Hamilton Common Good's Repairs and Maintenance budget for 2017/2018.

### 7. **Hamilton Park Racecourse Variation to Ground Lease and Partial Assignment to permit Hotel Development**

7.1. On 7 March 2018, the Housing and Technical Resources Committee approved partial assignment and change of use to grant a lease to Hamilton Park Racecourse Hotel Company Ltd to permit the development of a hotel.

7.2. The proposed timescale for the commencement of works for the hotel development is spring 2018 with a proposed completion in April 2019 and official opening in May 2019.

7.3. Negotiations have been undertaken and provisional agreement reached on the principal terms and conditions for the variation of the existing lease, assignment and new lease which will see an increase in the income to the Common Good Account of approximately £55,000.

### 8. **Employee Implications**

8.1. None.

### 9. **Financial Implications**

9.1. All costs identified will be met from the Common Good funds held within both Lanark and Hamilton.

9.2. Additional rental income from the Hamilton Park Racecourse Hotel commencing in 2019/2020 of approximately £55,000 will be credited to the Hamilton Common Good fund.

### 10. **Other Implications**

10.1. The ongoing repairs and maintenance support the viability of Common Good assets and reduces the Council's risk to increased liabilities in the future.

10.2. The recommendations within this report link to the Council's objectives in relation to physical, environmental, social and cultural sustainability.

## **11. Equality Impact Assessment and Consultation Arrangements**

11.1. 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.

11.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

20 March 2018

### **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, effective, efficient and transparent

### **Previous References**

- ◆ Finance and Corporate Resources Committee, 2 October 2013
- ◆ Finance and Corporate Resources Committee, 29 October 2014
- ◆ Executive Committee, 28 June 2017
- ◆ Finance and Corporate Resources Committee, 6 September 2017

### **List of Background Papers**

- ◆ None

### **Contact for Further Information**

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

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